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from 13 to 17 February 1984

Europe House, Strasbourg

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NOTE TO READER

Appearing at the same time as the English edition are editions in the six other official languages of the Communities: Danish, German, Greek, French, Italian and Dutch. The English edition contains the original texts of the interventions in English and an English translation of those made in other languages. In these cases there are, after the name of the speaker, the following letters, in brackets, to indicate the language spoken: *(DA)* for Danish, *(DE)* for German, *(GR)* for Greek, *(FR)* for French, *(IT)* for Italian and *(NL)* for Dutch.

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IN THE CHAIR: MR DANKERT

President

(The sitting was opened at 5 p.m.)

1. Resumption of the session

President. — I declare resumed the session of the European Parliament adjourned on 20 January 1984.¹

2. Agenda

President. — At its meeting of 18 January 1984 the enlarged Bureau drew up the draft agenda which has been distributed to the House.

At this morning's meeting the chairmen of the political groups asked me to propose to the House a number of amendments to the draft agenda.

¹ Approval of the minutes — Membership of Parliament — Petitions — Motions for resolutions entered in the register (Rule 49) — Referral to committee — Withdrawal of a motion for a resolution — Documents received — Texts of treaties forwarded by the Council — Membership of committees: See the Minutes of the sitting.

Monday:

— I have received from Mr Piquet and ten other Members of his Group a request, pursuant to Rule 56(1) of the Rules of Procedure, that the report (Doc. 1-1353/83) by Mrs Scrivener on special measures in the fields of employment, transport and energy, which is on today's agenda, be withdrawn from the agenda for this part-session and held over until after the meeting of the European Council on 19 and 20 March 1984.

Mr Baillot (COM). — (FR) Mr President, you have just informed the House of our request for the postponement of the Scrivener report to a later date.

Without wishing to go into the whole question of Britain's contribution, I should like to explain why we decided to table this request.

At the Stuttgart Summit the Council decided to seek a lasting solution to this issue of the British contribution. The provisional agreement reached on 30 May 1980 continues in force and, given the manner in which matters are unfolding, there is no reason to believe that this provisional agreement will not continue for quite some time, thereby justifying the

Baillot

advocates of the concept of 'fair return', which is contrary to both the spirit and the letter of the Treaty.

The failure of the Athens Summit to make headway on the totality of the issues also left that of the British contribution in abeyance. The next European Council meeting will take place in Brussels on 19 and 20 March. Given Parliament's commitment to reach a definitive solution, by 31 March 1984, to this problem which is poisoning Community life, we would like to forego today's debate and to take it in the aftermath of the European Council in Brussels.

We feel Parliament should not modify the position it adopted during the vote on the 1984 budget. If it overrides itself and compounds the problem, one can well imagine that its prestige will not have been enhanced in the eyes of public opinion.

Mr Bangemann (L). — (DE) Mr President, I believe Mr Baillot is mistaken as to the decisions we reached. I say this without any degree of 'look back in anger', for one can well imagine that the European Parliament could have taken a decision on the 1983 budget exercise analogous to that which it took on the 1984 budget, but that, Mr Baillot, is precisely what we refrained from doing! If you wish to substantiate your case by referring to decisions reached by the European Parliament, then you may not diverge from the truth, and that is that we had indeed decided to make payments for the 1983 budget year. Only as far as the 1984 budget is concerned did we manage to find majority support for such payments to be transferred to a reserve, and we must therefore remain consistent with decisions which we ourselves have taken. We may not diverge from a decision reached jointly last year and one which does not necessarily reflect my own standpoint. This Parliament is only credible when it implements precisely what it had earlier decided. For 1983 we decided to make payments. Hence not only is there no justification for postponing the Scrivener report but we must, on the contrary, proceed to adopt it today.

As I have the floor for the moment, Mr President, may I ask you to discount the reservations with regard to the vote which I expressed this morning on behalf of the Liberal and Democratic Group at the meeting of the group chairmen. I have now revised my position and decided to withdraw my reservations. I am now in favour of proceeding to a vote on the Scrivener report today.

President. — But, Mr Bangemann, these same reservations were voiced by all the political group chairmen with one exception. I will come back to this question after we have voted on this request.

(Parliament rejected the request — The President read out the amendments proposed to the draft agenda for Tuesday and Wednesday¹)

¹ See Minutes.

Thursday:

— I propose that the report (Doc. 1-1357/83) by Mr Prag on the comparability of vocational training qualifications be put on the agenda as the last item.

Mr Prag (ED), rapporteur. — Mr President, it is not that I do not like the idea. It is obviously such a good report that it should come before the plenary session as soon as possible. It is just that I have not seen it. Will copies be available in good time? I gather that the deadline for amendments has already passed.

President. — Mr Prag, as far as the amendments are concerned, the chairmen of the political groups fixed the deadline at 12 noon tomorrow. At the same time I can assure you that the distribution of your report is what is called in French *en cours*. It is being distributed at the moment.

Mr Sutra (S). — (FR) Mr President, Thursday's draft agenda has as Item 375 'possibly, report by Mr Ligios on behalf of the Committee on Agriculture'. I suppose that the word 'possibly' can now be dropped. Furthermore, the Hopper report which precedes this, Item 335, had been postponed for a month so that it could be debated jointly with this report.

President. — Mr Sutra, I can assure you that the Ligios report will be taken.

However, I must advise all Members to take a look at the Hopper and Ligios reports and to note the differences between them. They both deal with more or less the same subject, but they are not entirely in agreement.

Friday:

— I have received from the Group of the European People's Party (Christian-Democratic Group) a request, pursuant to Rule 56(1), that the report by Mr Battersby on Greenlandic fisheries be put on the agenda for this part-session¹.

Mr Helms (PPE). — (DE) Mr President, ladies and gentlemen, at its most recent meeting on 2 February last, and following deliberations since the Summer recess, the Committee on Agriculture adopted the Battersby report on fisheries in Greenland by a large majority. According to information coming from the Commission and the Council, the treaty between the Greenland Home Rule government and the Council is to be concluded on 20-21 February prior to signature no later than the beginning of March. In the light of this deadline we consider it both urgent and desirable that Parliament's thinking on this matter be made available prior to these negotiations,

¹ All other amendments to Friday's draft agenda: see Minutes.

Helms

for we consider it advisable that the negotiations should take account of Parliament's considerations. Hence the need for this report to be included on this week's agenda. For the aforementioned reasons I urge the House to accede to this request from the Group of the European People's Party (Christian-Democratic Group).

President. — The report is ready, but it has not yet been distributed. If the decision that you ask for is taken, then it can be put on the agenda only towards the end of the week, because a deadline for tabling amendments has still to be fixed.

Mr Fich (S). — *(DA)* Mr President, I should like to speak out against including this report from Mr Battersby on the agenda, and I am rather surprised that it has been proposed on behalf of the Committee on Agriculture. That was not the position as I understood it so far. I would point out that if the information is correct, the Commission has worked out its final proposal, and we cannot therefore exert any further influence on that proposal. The situation is that the final negotiations in the Council, which take place next week, are already beset with such difficulties that an initiative of this kind on the part of Parliament could very easily lead to a disruption of these negotiations, with most unfortunate results. I feel therefore that the initiative is wholly inappropriate and in any case is wrongly timed. I therefore propose that, having regard to the Council negotiations, we do not include it on the agenda.

Mr Battersby (ED), rapporteur. — Mr President, I would like to speak in favour of the proposal. The Commission has already deliberated on the matter. I think Parliament's voice must be heard before the Council takes its final decision. I would emphasize the importance of the report and beg that it be taken during this part-session.

(Parliament approved the proposal)

President. — Mr Battersby's report is, therefore, added to the end of Thursday's agenda. The report will be distributed tomorrow afternoon. The deadline for tabling amendments is fixed for tomorrow at 6 p.m., if possible. If it is not distributed in time, we will have to look at the matter again and make a further proposal fixing the deadline for Wednesday morning.

Mr Fergusson (ED). — Mr President, you moved through the agenda with such agility that I was unable to attract your attention as you passed through Wednesday's agenda. I refer, in particular, to Item No 368 — the submission by Mr Thorn and the debate that follows it. In a footnote it refers to an oral question by the chairman of the Political Affairs Committee, Mr Rumor, on the political and economic

situation in Europe as a whole. This was put forward by the chairman of that committee in order to discharge Parliament's obligation to have a debate under the 'empty chair' resolution of two years ago.

I must protest on behalf of that committee that this decision of Parliament has been reduced to a footnote in the agenda and I would like your assurance that this does not, in fact, discharge Parliament's obligation in this matter.

Mr Bangemann (L). — Mr President, at our meeting today we agreed that this would be an oral question with debate. There was no indication that this would be the debate mentioned by Mr Fergusson, so I can assure him and other Members of the House that the idea was simply to include the oral question with debate as tabled by the Political Affairs Committee. If the Political Affairs Committee wants to debate the overall question and also to implement the decision we took a month ago, that would create no difficulty. For the time being, however, we had to decide on an oral question with debate. As is the case with any such oral question, we include it in an appropriate debate. This, is, I do think, an appropriate place to take that particular oral question with debate.

Mr Habsburg (PPE). — *(DE)* Mr President, my friend Mr Fergusson has taken the words out of my mouth. Parliament has taken a clear decision on the matter. I would merely urge the House to reflect upon which of its forthcoming part-sessions could accommodate such a debate. The main thing is that it take place prior to the European elections, for such was the clear and unambiguous decision of Parliament and its Political Affairs Committee.

President. — Mr Habsburg, as Mr Bangemann has already said, what we have before us now is an oral question with debate. This was put on the agenda in the ordinary way, and according to our Rules of Procedure there was no other way in which we could have dealt with the matter. We just cannot say in advance whether any other possibilities might present themselves between now and our last part-session in May. I feel that it would be best to deal with it during this part-session, as we just do not know whether we will have an opportunity of doing so later on.

Mr Fergusson (ED). — Are you saying that this is to be the discharge of that particular parliamentary decision on the 'empty chair' debate?

President. — I think so, Mr Fergusson.¹

(Parliament adopted the agenda thus amended)

¹ Deadline for tabling amendments — Speaking time: See Minutes.

3. *Employment, transport, energy*

President. — The next item is the report (Doc. 1-1353/83) by Mrs Scrivener, on behalf of the Committee on Budgets, on

the proposals from the Commission to the Council (Docs. COM(83) 696, 697 and 698 final — Doc. 1-1236/83) concerning

- I. a regulation establishing special measures of Community interest in the field of employment
- II. a regulation establishing special measures of Community interest relating to transport infrastructure
- III. a regulation establishing special measures of Community interest relating to energy strategy.

Mrs Scrivener (L). — (*FR*) Mr President, ladies and gentlemen the three proposals for regulations before Parliament have to do with the financial rebate accorded to the United Kingdom and to the Federal Republic of Germany by the European Council in Stuttgart in June 1983.

We are aware that the controversy surrounding the financial rebate to be accorded to the United Kingdom has become a permanent feature of Community life. Although the initial rebate package dates as far back as May 1980, the problem has hitherto always been treated on an ad hoc basis which has given rise to purely provisional solutions.

It is, nevertheless, clear that the disequilibrium which these rebate measures have sought to rectify stems from imperfections in the Community edifice.

A definitive solution hinges on a resolution of other, more complex and perhaps more fundamental issues: a reorganization of the CAP, the elaboration of new policies and an increase in own resources. Community is the only way of eliminating once and for all the problem of the United Kingdom rebate. In reality it is the absence of the political commitment to Community progress which has given rise to this difficult annual debate.

The European Parliament has always supported efforts to reach a definitive solution to this question. It therefore rejected the supplementary budget in December 1982, to demonstrate its disapproval of solutions based on the 'fair return' principle and to call for a definitive and Community solution to problems of budgetary disequilibrium.

Our decisions concerning the 1984 budget, from the policy vote in March 1983 to the adoption of the budget last December were intended as a Community contribution to solving the economic and social problems of our own Member States and to reforming the Community's finances and restructuring its

budget. Our analysis had nothing utopian about it; it was, at any rate, the same as that put forward by the Heads of State and Government in Stuttgart.

In addition to controlling agricultural expenditure and the implementing of new policies once the new resources have been defined we therefore decided, in December 1983, that it would only be possible to resolve the problems which arose in the course of implementing the 1983 budget when a global solution to the Community budgetary problem had been agreed upon; hence the freezing of the sums in Chapter 100.

Parliament had indeed hoped that this solution would eliminate the logjam in the Community construction and urged that a decision be taken before 31 March 1984. The appropriations transferred by Parliament to Chapter 100 were to be allocated to the United Kingdom and the Federal Republic of Germany with a view to compensating an imbalance which had arisen in 1983 and which the heads of State and Government had estimated at one thousand million ECU.

Parliament neither casts doubt on the principle underlying such a payment, nor the amount itself. It merely considered it incompatible with its budgetary responsibilities and that it was premature to enter an appropriation when it was not sufficiently clear for what it was intended.

It is felt that the three proposals for regulations, presented by the Commission, will help provide a definitive solution. Adoption of the regulations, as presented by the Commission, would appear to provide a solution analogous to that advocated by Parliament in February 1983. One ought, however, to bear in mind the numerous reservations voiced by Parliament at the time with regard to the future and that it noted the Commission's willingness not to repeat this exercise.

Furthermore, the Commission proposals diverge, in numerous respects, from the objective defined in the Barbarella resolution in December 1982 which was that of inserting specific measures into the context of Community policies. Nevertheless, it is unrealistic to reject out of hand the Commission's proposals, for it would be tantamount to creating a new crisis whose consequences would be difficult to evaluate. One must bear in mind that the question of the British contribution is bound up with all the principal issues under consideration — agricultural policy, new resources, new policies — and that progress on these issues in 1984 is only possible if an equitable solution can be found to the imbalance of the 1983 accounts.

The Committee on Budgets, therefore, considered that if progress were to be achieved on the cardinal issues Parliament would have no option but to consider the regulations and amend them substantially.

Scrivener

We did not endeavour, in this framework, to try to obtain a definitive solution which could have taken the form of a new and permanent policy of assistance to Member States experiencing economic and financial difficulties. We opted for a more pragmatic approach which seeks, on the one hand, to maintain the specific character of the 1983 rebate package and, on the other hand, to bring it more into line with the rules governing Community policies.

This dual concern is inherent in the various amendments presented to the House by the Committee on Budgets. On several points our Committee has reinforced the Community aspect of the Commission's proposals: we suggest reducing the Community contribution from 70 % to 50 %. Indeed this is the rule for most Community policies in the energy and employment sectors and we consider this percentage to be more generous than that proposed by Parliament for transport infrastructure. Furthermore we are seeking to amend the powers of the committee, composed of representatives from the Member States, whose job it is to assist the Commission, to make it simply a consultative body — in line with the principles laid down in the Treaty — which would not question the Commission's responsibility with regard to the implementation of the budget.

In addition we have stressed the need for the Commission, the Court of Auditors and Parliament to carry out suitable controls once the budgetary procedure has been completed.

On the other hand, because of the particular character of the goals pursued, the Committee on Budgets has decided to modify the system of advances with a view to taking more account of expenditure incurred by the United Kingdom and the Federal Republic of Germany in 1983 in the areas under consideration.

Such is the proposal for which the Committee on Budgets is seeking the House's approval. However, it is clear that a solution to this problem of financial rebates will be all the more appropriate for having been elaborated in a Community framework. For this reason the Commission must support Parliament in seeking an equitable solution. Indeed the Committee on Budgets has decided to request, once the House has voted on the proposals for regulations, the application of Article 36 of the Rules of Procedure. The Commission, which was in fact kept constantly up to date with regard to the intention of the Committee on Budgets should be able to state that it accepts the amendments voted by Parliament.

Finally, the conciliation procedure with the Council should be opened. This procedure should get under

way as quickly as possible with a view to facilitating the implementation of the measures envisaged in the areas of employment, energy and transport as soon as Parliament has voted on these payments, at the end of the first quarter.

In closing I would add that the procedure under consideration seeks only to mitigate the imbalance of the 1983 budgetary exercise. It is essential that a lasting solution be found rapidly. In this respect Parliament will subject the outcome of the forthcoming European Council in Brussels to close scrutiny. There can be no doubt that another failure would inevitably call into question the spirit of compromise which was manifest in the deliberations of the Committee on Budgets.

That, Mr President, ladies and gentlemen, is what I wished to say in my capacity of rapporteur on this very difficult subject.

(Applause)

Mrs Calliope Nikolaou (S) — (GR). Mr President, we recognize that the nature of the Community's own resources, the philosophy that inspires the CAP and the very limited financial provision for other policies have created imbalances and unfair situations for a number of Member States, for example, Great Britain whose problems we are debating today.

In our view, however, this problem is just one of the overt signs of a more general crisis that characterizes the financial and economic framework within which the Community functions today. That is why we are looking for a solution, not in the form of ad hoc measures but by creating an integrated system for the future financing of the Community, which:

first, will be based on profound changes in the sector of expenditure and revenue,

secondly, will provide corrective mechanisms for eliminating the imbalances that occasionally arise,

thirdly, will ensure effective auditing of the management of the Community's resources.

Moreover, the Socialist Group categorically rejects the application, under any guise, of the principle of fair returns.

So far as concerns specifically the rebates to Great Britain and West Germany, a majority within the Socialist Group and the European Parliament have expressed the political will to put an end to the perpetuation of the ad hoc measures entailed by tying up the sum envisaged for debates under Chapter 100. We hope that by 31 March 1984 a permanent solution will have been found, so that Parliament can vote to liberate this sum from Chapter 100 and distribute it

Nikolaou

among the various items of the budget. In the meantime, and to avoid hindering the Community's work, we have accepted the need to debate the present regulations which simply define the conditions under which these resources are to be paid back to the two countries concerned, if and when it is decided to do so. In our view the rebates clearly constitute Community resources and must be used to finance measures within the scope of common policies, subject to the same conditions and auditing procedures applied in the case of other Community resources. From this standpoint the text of the Commission's proposed regulation does not satisfy us. That is the reason why we have put forward or supported proposed amendments designed to improve the regulations in terms of the following basic aims :

Firstly, definition of the field of application of the regulations by enumerating specific criteria and not, as the Commission does, by putting forward general proposals that could cover almost any aspect of the activities.

Secondly, minimization of the possibility of substituting Community resources for national ones, by ensuring the Community's participation in as many investment plans as possible, and preferably new ones.

Thirdly, definition of a timetable of prepayments and settlements which will allow Community auditing at every stage in the implementation of the programmes.

We also call for the preparation of a special report on the utilization of these resources, from the Court of Auditors.

In particular, in relation to criteria in the energy sector, the Socialist Group put an amendment before the House in which it expresses the position it has repeatedly proclaimed, namely that priority should be given to conventional forms of energy and methods of using them that do not destroy the environment.

In conclusion, I would like to stress that the position of the Socialist Group on the matter of rebates has never been intended as discriminatory against any Member State, but is dictated by recognition of the critical situation in which the Community finds itself at this time, owing to its dilatoriness in taking the decisions needed to secure its own cohesion and further development.

The Socialist Group calls upon the Commission to take note of Parliament's proposals, so that these regulations will not become a further obstacle to the liberation of the resources from Chapter 100.

President. — I am sorry ; in starting the debate, I overlooked the fact that the Commission had asked to speak first. The Commission is always called to speak whenever it so requests.

Mr Giolitti, Member of the Commission. — (IT) Mr President, thank you for giving me the floor at the beginning of this debate ; the Commission, on whose behalf I have the honour to speak, does attach a great importance to this debate and wishes to set out, which I am now about to do, a few considerations of a general nature on the subject under discussion.

The Commission has followed with great interest the work of the Committee on Budgets in connection with Mrs Scrivener's report on the proposals for specific provisions of Community interest in the areas of employment, transport and energy strategy. Having listened to Mrs Scrivener's presentation and explanation, I can say that the Commission subscribes to the reasoning and shares the attitude which are the basis of her report.

More particularly, it is both right and important to remind ourselves of the origins of the problem we are debating, which go back to the Stuttgart Summit, and it must be stressed — which I hereby do most unambiguously and vigorously on behalf of the Commission — that it is concerned with the pursuit of objectives within the framework of Community policies on employment, transport and energy, and with the definition of these three sectors in which priority problems must be identified for the purpose of Community development and of integration of the economies of the member countries.

With reference to these priority objectives for the Community, and in order to deal with these specific problems which the three regulations proposed are intended to solve, we have to establish *ad hoc* rules which will not conflict with the general Community nature of the aims pursued, but which address and define the problem in the light of the specific objectives in view.

I should also like to add in this connection that the Commission fully subscribes to the importance of the principles so clearly set out in the final paragraph of Mrs Scrivener's report. It regards as of particular interest three points which I should like to emphasize at the start of this debate : the non-compulsory nature of the expenditure envisaged in the three regulations, the specific nature of these provisions, which I have already underlined, but which nevertheless fall within the scope of the three Community policies to which I have referred, and, thirdly, but by no means lastly in order of importance, the priority accorded to the financing of programmes and projects which are either new or in the course of implementation.

These, Mr President, are what I should call the 'framework' considerations which I was anxious to set before you on behalf of the Commission in order to situate

Giolitti

the problem and the aims and objectives to be achieved, for the purposes of this debate. I shall conclude by expressing the hope, indeed the certainty, that the decision which Parliament is about to take — as I understand it, about to take in the course of this day, at the end of this debate — will contribute in a substantial, I would go so far as to say decisive manner, to the early solution of this specific problem, which may ultimately become the starting point for a solution of a more general nature.

Mr Adonnino (PPE). — *(IT)* Mr President, ladies and gentlemen, I feel that the rapporteur has set out most clearly both the origins and the importance of the problem, pointing out at the same time the stance of Parliament which, it must be stressed, has contributed significantly to clarifying the nature of the problem. We are pleased to hear that the Commission agrees with some of our views on showing the Council the way to tackle this very sensitive problem.

Let us recall here that at the time of the vote on the 1984 budget we decided to enter in Chapter 100 the funds for this type of measure and we made it clear that we made their inscription as budget lines conditional on two requirements: that a definitive solution to the problem of balancing the budget be found and that it can be found by 31 March 1984 — precisely to avoid discrimination against any particular Member State.

The reasons for this our attitude include the fact that on 31 March 1984 falls the end of the financial year of the country which is most directly concerned so that it is all the more desirable that a solution be found by that time.

The stance taken by Parliament today — which my group supports and which it significantly contributed to identifying and defining — is closely linked to these circumstances; and if, a short while ago, we voted against the postponement of the decision, it was because we did not want Parliament, by being dilatory, to make it impossible for the other institutions to make a decision in good time.

But while it is true that a definitive solution must be found, it is also true that it is Parliament's duty to indicate to the other institutions — beginning with the Council — the right way to reach that solution. We have recalled here our past positions. We have recalled the principle that what must be considered is a situation of 'financial imbalance incompatible with economic efficiency' of a Member State vis-à-vis the Community as regards its contribution to own resources. We have also made it clear that the way to resolve these imbalances is by intervention through spending policies, i.e. independently of the principle of 'fair return', though of course, always within the ambit of Community policies.

We were anxious to have these two principles embodied in our document because we felt it was very important to show to the other institutions the right way to solve this problem. We trust that the Commission, when it comes to answer questions, and the Council, when it comes to take decisions, will be able to follow Parliament in this, too. Basically, it is the logical sequel to our rejection of the 1982 Supplementary Budget No 2

Today we have before us three regulations: on energy, on employment — especially of the young — and on transport infrastructures. As a matter of fact, Parliament had indicated in one of its resolutions a fourth sector where measures could be taken: that of urban concentrations. Since the Commission has not put forward any proposal, the Committee on Budgets asks the Commission to make good the omission. And we shall insist on that.

The opinions of the committees responsible are, on the whole, favourable to the Commission's proposals. The Committee on Budgets did not therefore wish to enter into the merits of the issues. We agree with this attitude and we are also agreeable that it should be left to the Council to determine the actual amounts for these measures, although we do ask that the imbalance be viewed and quantified not merely in financial terms but also in terms of overall economic benefit.

As for the rate of Community intervention, my group subscribes to the view that was adopted in the Committee on Budgets, that is that we should keep to the 50% which, on the average, is adopted for all Community measures. There is a specific problem as regards the manner in which these resources should be made available to the country concerned. It was agreed, and my group is also in agreement, that, here again, we should proceed in the usual manner, i.e. by *tranches*, with advances of first 50%, then 40%, and the remainder of 10% only after checks have been made.

For practical reasons, given that we are concerned with readjusting imbalances going back to 1983, we have envisaged the possibility of Commission contributions even for projects which have been started after January 1983, if they have the requisite Community characteristics to which we have referred many times. In such cases, we have proposed that the actual expenditure already incurred should be reimbursed, up to a maximum of 90%, with the last 10% again being subject to satisfactory checks.

We believe this method of dealing with the problems is very fair and reasonable and means that these regulations introducing extraordinary measures can be adopted and put into effect. If the Council agrees on

Adonnino

this with Parliament, Parliament at the appropriate time will be able to conclude that a definitive solution has at least been initiated and it will then be in a position to adopt such measures as it thinks it can and should adopt to prevent discrimination, i.e. to move the amounts frozen in Chapter 100 to individual budget lines in order to make them available.

I think that in this context the answer that the Commission gives today to Parliament, after it has given its final views on the regulation and before the final resolution is voted, will be of great importance. It is my opinion that our vote should therefore be determined by the Commission's reply.

Ladies and gentlemen, this is my group's position. I hope that the other groups — and it does not seem to me that on the whole there have been any major objections — will agree with us and will vote tonight for the three amended proposals for a regulation, as proposed by the Committee on Budgets, and possibly also vote for the resolution, after the Commission has hopefully expressed its agreement. In this way we shall contribute further to the resolution of this enormous problem that is halting the progress of the Community.

(Applause from the centre)

IN THE CHAIR: MRS CASSANMAGNONO
CERRETTI

Vice-President

Lord Douro (ED). — Madam President, we are today considering the proposals from the Commission for regulations to authorize the supplementary measures in favour of the United Kingdom and the Federal Republic of Germany. These supplementary measures have been caused by the unfortunate imbalance which still exists in the way the Community's finances are now structured. We, in this group, very much regret the need for another set of supplementary measures for the United Kingdom. And we earnestly desire to see a long-term solution to these budgetary problems.

The supplementary measures are in three areas of expenditure, namely unemployment, transport, and energy and research. In planning some major projects the British Government has been very conscious of EEC priorities. Probably more so than many other Member States. The British Government has invited representatives of the parliamentary committees to go to Britain and inspect the ways in which previous supplementary measures have been put into force. The British Government has sought at every stage to cooperate with the Commission and with this Parliament. As Mrs Scrivener said in her opening remarks, the European Parliament has never disputed the amount of money allocated to the supplementary

measures nor has it disputed the importance of a solution by 31 March. This was recognized in the parliamentary resolution of last December. At the same time, we should not forget that the United Kingdom will consider the Community to be in default if the money is not received by 31 March.

However, there are two sets of amendments which would make it quite impossible for the British Government to comply with these regulations by 31 March. Firstly, there is an amendment to restrict expenditure to schemes initiated since 1 January 1983. The problem about this is that the initiation point of most major schemes is probably months or even years before the actual start of the project. The effect of that amendment is to exclude many projects which are now just beginning, which in every other way comply with Parliament's priorities, which had been planned in the expectation of receiving Community money, as was agreed in the middle of last year, and yet for which the initiation was in the latter part of 1982.

Let me give you one specific example. The main road from London to Dover, the A 20, is a major trunk road for traffic to and from the Continent. Thus it is of great Community interest. The bypass round Sidcup is a major improvement to that road. This scheme was initiated in the autumn of 1982, but the work on the ground did not begin until July 1983. This scheme would qualify under the Commission's wording, but would be excluded by the wording of the amendment of the Committee on Budgets. So I would ask Mrs Scrivener and other interested Members of this House to think again and not to support that particular amendment.

The other seriously damaging amendment is that which reduces the Community's participation to only 50%. It is perfectly true that most Community programmes are on the basis of a 50-50 share between the Community and the government of the Member State. But, for example, certain activities in the Integrated Mediterranean Programmes have a rate of grant of 75%. Certain parts of the Regional Fund have a rate of grant of 70%. For certain structural measures for agriculture there is a rate of grant of 65%, and for certain social measures in Greece there is a rate of grant of 55%. All these show that there are perfectly respectable precedents for a 70% rate of participation. I would ask those Members in this House from Greece, Italy and Southern France who are so particularly interested in the Integrated Mediterranean Programmes, and who have attended in strength meetings of the Committee on Budgets when we have considered the Mediterranean Programmes in order to defend what they, quite rightly, see as an important national interest, to consider whether it is right for them now to support a reduction in the rate of participation for these measures from 70% to 50%.

Douro

There is a good Community reason why this is a bad idea. At a rate of 50 % the British Government will have to try and produce a larger number of projects in order to absorb the total fixed sum of money. As the number of projects increases, their importance from a Community point of view and the degree to which they conform to the highest priorities of the Community will inevitably diminish, if indeed they qualify at all. There will therefore be a dilution of the degree of Community interest about the projects, and that would be a pity. This Parliament wishes to influence the way the money is spent. The effect of reducing the rate of grant would be to reduce the percentage of this money which is spent in conformity with this Parliament's priorities.

I should also point out that this does not only apply to the United Kingdom, it would be equally difficult for the Federal Republic of Germany. A rate of 50 % would make it impossible for the German Government to take its full share. I hope therefore that Members will understand the obstructive effect of this amendment.

As to the degree of advance which the Commission is authorized to make, we have, I believe worked out in the Committee on Budgets a suitable compromise which would allow money to be paid over on projects which have already been started. This was a compromise between the Commission's proposal and the various amendments before us, and we think it is a satisfactory compromise.

In view of some of the political rhetoric we heard at the last part-session, I cannot conclude without drawing attention to the regrettable and irresponsible attitude of the British Labour Party towards these supplementary measures. We have had two meetings of the Committee on Budgets in the last month to consider these regulations. The second meeting, which took place in Brussels exactly two weeks ago today, was devoted exclusively to this subject. The meeting was called at short notice, but nevertheless on a matter of this importance a large proportion of the committee members changed their plans in order to attend, including a full representation of six members from my group. However, it is a fact of which they ought to be ashamed that no single Member of the British Labour Party felt able to attend that meeting at any point during the day.

(Cries of 'shame' from the European Democratic Group)

There were four or five spare seats in the Socialist Group and, as a result, several British Socialists could have attended and voted if they had felt it important enough to do so. I know that if this had been a committee meeting devoted exclusively to special measures in Greece, Italy, Ireland or France, we would have seen all the political parties from those countries

fully represented. How sad it is that the official Opposition in the United Kingdom consider these supplementary measures, which involve a very large sum of money due to be spent in the United Kingdom, to be of so little importance that they cannot arrange to be represented at the relevant committee meeting!

(Cries of 'Hear, hear' from the European Democratic Group)

Although the Labour Party in Britain has now modified its former stance on withdrawal from the EEC, its destructive and negative attitude only makes it more difficult for the British Government and for British Conservative MEPs to do their job properly in representing the interests of the British people. The British Labour Party would serve the British people better by following our lead in matters of national importance.

(Applause from the European Democratic Group)

Mr Balfe (S). — Madam President, I would like to put it clearly on record that I made absolutely clear in the meeting of the Committee on Budgets that I was unable to attend due to a prior engagement, which had taken a long time to arrange, with the Chairman of the Conservative Party, Mr John Selwyn Gummer, whom I was meeting at the very time that the meeting of the Committee on Budgets was taking place.

Mr Baillot (COM). — *(FR)* Madam President, in establishing the agenda, a short while ago, the House rejected our proposal which sought to postpone the examination of the Scrivener report to the period following the European Council in Brussels on 19 and 20 March.

We believe Parliament is doing itself a disservice by acting in this way. One ought not try to cloak a political problem behind budgetary technicalities. This is a repeat of last year's performance. To make a mistake once may be deemed excusable, even where the sums involved are of the order of hundreds of millions of ECU. To repeat the exercise is unforgivable.

In a resounding move Parliament adopted a resolution in December 1982. This was followed, in February 1983, by Parliament's acceptance of a compromise worked out by the Council, which constituted no more than a few formal concessions on matters of secondary importance while conceding nothing of substance. A year later Parliament is repeating the exercise. In the course of the budget debate it hammers on the table and raises its tone; it freezes the financial compensation package intended for the United Kingdom and, in its wake, that destined for the Federal Republic of Germany, no doubt with a view to facilitating the granting of the former.

The French members of the Communist and Allies Group were all the more vigorous in supporting this decision of Parliament for having been, to all intents

Baillet

and purposes, alone in opposing the agreement of 30 May 1980 from the outset. By agreeing today to debate the proposals for regulations governing the allocation of rebates to the United Kingdom and the Federal Republic of Germany, Parliament is revising its position. Given that history never repeats itself — not even after an interval of one year — the position being espoused by Parliament this time around is akin, in the final analysis, to buffoonery.

In requesting postponement of the debate on Mrs Scrivener's report a short while ago, I stated that Parliament was casting aside commitments it had entered into and was acting contrary to the decisions reached at the Stuttgart Summit. As far as we are concerned, we wish to remain consistent. The rebates envisaged for the United Kingdom and the Federal Republic, ostensibly under the framework of Community policy — an ideal fall guy — are, in reality and for the most part, earmarked as indirect aid to the British coal sector and, to a lesser extent, to the German steel industry accentuating, in the process, distortions to competition to the detriment of the remaining Community Member States, in particular our own. This is unacceptable.

In closing I should like to quote from Mrs Thatcher's address to the House of Commons in the aftermath of the Stuttgart Summit. Mrs Thatcher stated, literally, 'To resign oneself to throwing money at a problem does not resolve it but represents rather a flawed solution'. We could take Mrs Thatcher at her word and say to her: 'Do not allow the United Kingdom to be submerged in ECUs, and refrain from begging at every Council meeting! Stop putting spokes in the wheel of European construction and pitch in with the other Member States in finding genuine solutions to the grave difficulties confronting the Community! It would be the ideal way of rendering service to this Community, to which you still declare your allegiance, even though you are dogged in displaying but scant respect for the rules governing the Community's functioning!' My speech will have left no one in doubt as to the intention of the French Members of the Communist and Allies Group to oppose both the regulations and the Scrivener report, without as much as entering the amendment fray.

(Applause from the left)

Mr Rossi (L). — *(FR)* Madam President, to begin I should like to extend my thanks to our rapporteur for the task accomplished and the pains she gave herself to bring about a degree of conciliation in this subject, and, furthermore, in a very difficult situation.

I would ask your indulgence, Madam President, in allowing me to broach this subject without beating about the bush and to list the various points in the *dossier* which were presented to us.

The first point, and it is of the essence, is that the proposals for regulations may, on no account whatever, reside in the application of the 'fair return' principle. For our part the aim is one of helping to extricate Member States from the difficulties they are experiencing, through the provision of aid — and I would underline the transient nature thereof — in the form of Community measures. We reiterate that a lasting solution can only be achieved through common policies, a prerequisite for rendering such stop-gap assistance superfluous. For this reason we intend to support those amendments tabled by the Committee on Budgets which seek to cast the specific aid measures under consideration in the Community mould.

Having declared my intention at the outset not to mince my words, I should now like to raise what I consider to be the second important ingredient in this *dossier* and one which conflicts, to a certain extent, with the initial reflections. One cannot ignore the gradual appearance of the outlines of the notion of the net contributor. Indeed the Member States have already quantified a level of contribution which they equate with imbalance, at which level a Community financial aid package will come into play, and this for a budget period which has practically come to an end. As everyone knows, the UK budget year runs from 1 April to 31 March. A case could be advanced for drawing up radically different regulations which would be endowed with impeccable Community credentials. Indeed our initial reaction would be to do just that.

Unfortunately we are obliged to take account of other constraints. The budget issue is not the only one being dealt with by the Community bodies. Reform of the CAP, the issue of own resources, the elaboration of new policies are others; if we wish to clear up the present Community logjam, each one of us will have to make an effort to meet the other's position half way.

Madam President, we believe the stance adopted by the Committee on Budgets reflects such an attitude. While remaining steadfast on the essentials, that is to say, upholding the principles, we agree to conciliation.

I should like, on behalf of my group — and I shall close on that note — to express our reservation with regard to the choice for which the Committee on Budgets has opted. It is a matter of some importance to us; I am referring to Article 4, second indent, which is identical in each of the three regulations before the House. The Committee on Budgets, in its wisdom, decided to go along with an amendment which aims to alter the system of prepayments. We hold categorically that the distinction between

Rossi

projects which have and those which have not been initiated is nothing other than a lure. On a theoretical basis the idea is, without doubt, attractive, but in reality it will never be implemented. We know only too well that the projects which the United Kingdom will be called upon to put forward will be invariably those which have been, or are on the point of being, completed. Is it necessary to repeat once more that these regulations are, in essence, financial compensation for the budget year 1983 but which have been written off against the 1984 budget accounts? On this note, and to preclude any possible ambiguity, the Liberal and Democratic Group has tabled some amendments which seek to implement a system of prepayments without distinction as to the state of progress of the projects in question. We feel an amount of 70 % would be appropriate. We believe that such an amendment reflects a compromise which should find majority support in this House.

Such, Madam President, are the few remarks I wished to make on behalf of my Group in a debate which will not be the last word on the subject, for, as we are all aware, the position adopted by Parliament last December foresees the freezing of the budgetary sums in question until further instructions have been issued.

Mrs Nebout (DEP). — (FR) Madam President, scarcely two months after the vote on the 1984 budget we find ourselves, as a result of the proposals for Council regulations, once again having to wrestle with the problem of the financial compensation package for the budget year 1983 to be accorded to certain Member States and, more particularly, to the United Kingdom.

In calling to mind, to begin with, my group's rejection, on the occasion of the 1983 supplementary budget, both of the principle and the substance of the compensation measures, I would emphasize that we are not unaware of the difficulties with which the United Kingdom is confronted. We echo the sentiments of a majority of this House in desiring a definitive solution to the British problem with regard to spreading the Community budget burden.

We reject, however, all abstract and unconditional solutions. Hitherto compensation measures have been no more than blank cheques made over to the British Treasury with no conditions attached and, in some instances, even paid in advance without awaiting Parliament's pronouncement on the matter, as was the case for the 1983 supplementary budget.

Is the situation any different today? Without doubt one can advance the argument that the regulations in question merely define the legal framework which is to cover the compensation package envisaged, without prejudice to the political conditions to which Parliament subjects any decision after 31 March with regard to the credits allocated to Chapter 100. But can one realistically maintain that the adoption of these regula-

tions would not have a political significance which would prejudice, by anticipating it, the decision of the budgetary co-authority to free such credits?

We have no hesitation in paying tribute to Mrs Scrivener's attempt to endow the regulation, wherever such was feasible, with well-defined criteria which reinforce the Community character of the specific measures, in particular those governing prepayment, accounts clearance and the immediate implementation of the concertation procedure with the Council, even though her task was thwarted by the Committee on Budgets. However, if you will permit me to say so, the crux of the problem is not to be found here. We are not contesting the contents of the Scrivener report; what we find fault with is the principle and the form inherent in these regulations. Not only do we believe adoption of these regulation to be premature at this point but that it would bestow a political condition on the decision the House is due to take in March. Above all, it would constitute a decision which would, in our opinion, be detrimental to the Community.

The Community is today undergoing — as was underlined in the course of the budget debate last December — a deep-seated crisis of identity of a political, economic, institutional, budgetary and now agricultural nature. The successive failures of European Councils merely serve to add to our present difficulties and to the urgent need for a solution. In such a situation, where the very survival of the Community is at stake, it would appear obvious to us that the Community can ill afford to continue to accept the principle — even where no more than the legal framework is involved — of tailor-made solutions for a Member State without the Community receiving anything in return. Would it not be tantamount to resigning oneself to further tapping Community financial solidarity and, in the process, further straining its cohesion? I believe, rather, that it is precisely in this context of crisis, faced with the threat, which is gradually taking shape, of an assault on the *acquis communautaire* — the CAP, for example — that every specific measure designed for the benefit of an individual Member State should have its corollary in a formal commitment to this Community, a commitment of solidarity to common Community policies: the CAP, adherence to Community preference and to the European Monetary System

Such is not, however, the case. The British demands are always based on the same principles, presented in the same way, perpetuating the practice of 'fair return'; such demands are no more accompanied today than they were yesterday by any kind of UK commitment to the Community. Indeed this House recognized only too well the danger to the Community of such compensation measures, always provisional, by deciding to freeze the credits, set aside for the UK in the form of a reserve in the 1984 budget, until 31 March 1984.

Nebout

Let us not delude ourselves: Parliament's action at that time did not constitute a sanction against a Member State; its decision was one of preserving the Community in its entirety.

These are the reasons which explain our inability, in the prevailing circumstances, to accept the regulations before the House today. There remains, to this very day, a pressing problem of reciprocity: Let the UK first display its Community credentials and the Community will solve the British problem to the satisfaction of all. I would add that the foregoing was also a commitment, too much overlooked, which formed part of the Stuttgart agreement.

Mr Papaefstratiou (PPE) chairman of the Committee on Social Affairs and Employment. — (GR) Madam President, ladies and gentlemen, I support Mrs Scrivener's full report concerning the enactment of special measures of common interest in the sectors of employment, transport and energy strategy. I shall not refer to the all-too-familiar problems relating to the Community's budget, which have been dealt with by other colleagues. I consider them very serious but not insoluble, provided that trust, political will and courage feature in the decisions we take.

Economic recovery, coordination of our efforts to regain lost ground with new technologies and new policies in an atmosphere of peace and prosperity within the Community, which we need more today than ever before, these must be the Community's basic targets if we are to continue being inspired by the letter and the spirit of the Treaty of Rome, according to the vision of the Community's founding fathers about 30 years ago.

For this reason I cannot but give my support, and indeed warmly, to any common contribution to economic development in general, and to the fight against unemployment in particular. The Committee on Social Affairs and Employment, of which I have the honour to be chairman, is especially sensitive to the measures proposed within the scope of the regulation concerning the employment sector, particularly so in the case of a Member State such as Great Britain where the number of unemployed is rather large.

The measures proposed assume even greater importance because they relate, with some priority, to especially sensitive categories of people such as young persons and women. Besides, I feel that the amendments put forward by the Committee on Budgets deserve wide support because they tend, at a critical time for the character our Community is developing, to stress the importance of implementing the common policies as a means towards absorbing financial deficits in some Member States that are considered disproportionate compared with their economic potential. This firm insistence on the Community

nature of any interventions whatsoever, together with rejection of the principle of fair returns, must form the cornerstone of the European Parliament's policy, and should attract widespread support so as to strengthen our position in the face of the Council.

Let me now say a few words about the Community's level of participation in the various activities that qualify for financial support. The Committee on Social Affairs and Employment accepts in principle that the Community's participation should be as high as possible, and this purely for reasons of common strategy. We know very well where the relevant contributions will come from, namely, from the so-called financial compensations. It is also well known that in analogous circumstances, for example, in the case of my own country, Greece, within the scope of a recent regulation concerning financial aid in the social sector, the proportion of the Community's contribution was restricted to 50%. This, moreover, for a Member State in which unemployment has recently shown a particularly high increase, having trebled within a period of just two years. That was bad news for Greece.

We are aware of the difficulties connected with the Community's budget, but we believe that the European Parliament's position is one of particular importance because Parliament can be a driving force in achieving the much sought-after European integration, which will only become a reality when there is a progressive transition in all sectors from the national to a Community framework. We must take rapid steps, always provided that there is practical recognition of the Community character of the interventions and of the importance of the European Parliament's contribution to the solution of many problems that seemed insoluble at the national level.

Mr Balfour (ED). — Madam President, I would like first to thank the rapporteur, Mrs Scrivener, for the enormous hard work and goodwill that she has brought to her task. In the Committee on Budgets we have sometimes wondered whether her health would hold out. She has made a very honest effort to try and find a solution to this extremely sensitive subject.

I wish to try to answer some of the points raised by Mr Baillot and Mrs Nebout in particular during this debate. Our colleague, Mr Baillot, was kind enough to quote the British Prime Minister's remarks in the House of Commons debate following the Stuttgart Summit. I am glad he did, because it highlights a very important point of principle. He quoted Mrs Thatcher as saying that the way to solve a problem is not to throw money at it. I agree with that, and I think we all agree with that. Money is not our concern. Our concern in this whole problem of the budget of the Community, has been to establish greater fairness and justice.

Balfour

Mrs Nebout uses the words *juste retour*. She taunts our group with that concept. It is misleading and it is stale. Why does she taunt us with that? We have discussed this *ad nauseam* in the Committee on Budgets. I believe it is because she wishes to protect her own *injuste retour*. Budgetary imbalances are not the fault of Mr Baillot, and they are not the fault of Mrs Nebout. The budgetary imbalances exist because of the way we collect the Community's own resources and the way we as a Community spend that money. There is, however, a Community obligation to find fairness where there is unfairness. In the short term, this has to be by rebates; in the long term, by some form of financial equalization. Today we are engaged in defining the way the 1983 refund should be spent. We shall support Mrs Scrivener because we need a regulation for that Community obligation to be discharged.

(Applause)

Mr Bonde (CDI). — (DA) Mr President, the People's Movement against the EEC is unable to support Mrs Scrivener's report. We are opposed to the repayments to Great Britain and West Germany and we are against Danish taxpayers having to find 200 million kroner to keep Great Britain in the Community. But we are also against Parliament now seeking to legislate, to meddle in the affairs of the Council of Ministers; we will not take part in any attack on the right of the Council of Ministers to be the Community's legislator. We vote against the Scrivener report on the grounds that it is the Council of Ministers which should decide on the matter and that we want no part whatsoever of any move to make repayments to Great Britain or West Germany.

Mr Balfe (S). — Madam President, we are today, in many ways, dealing with one of the great paradoxes of this Parliament — namely, that it is frequently condemned as having no powers but has nevertheless suddenly acquired for itself the power to undo in effect what was decided at the Summit meeting. We are in a position where this Parliament has to behave responsibly and respectably if it is to salvage its own reputation. Part of the balance of forces within the Community rests on all three arms behaving reasonably towards each other. An agreement has been reached to pay back a sum of money. Whether it is right or wrong that it should be paid back, and whatever the principles are, the fact remains that the Council of Ministers has come to that agreement. We are now dealing with the enabling regulations prior to voting the money onto the line for it to be done.

Lord Douro spoke eloquently of the attendance of members of his group at the Committee on Budgets while I was with the chairman of his party. I can only observe that the amendments which they managed not to get adopted were amendments which are

needed. In other words, there are some fundamental changes needed to this regulation. We are particularly concerned that if some of the Budget Committee's proposed amendments are adopted, it could make it very difficult to achieve the objective which all three parts of the European Communities have set out for themselves.

One amendment which we on this side of the House do support is the amendment seeking a fifty-fifty split in payments — in other words, that half the money would be paid by the Commission to the schemes. The reason why we support this, as I told the relevant Minister in the British Treasury, is quite simply that it leads to an increase in public expenditure — an increase of £ 261 million in public expenditure and an increase which is achievable. Were it discovered that our rebate had been undercalculated, I know that schemes could be found to achieve extra spending within Britain. So what I am hoping for later on is that this House comes to its collective senses and votes through a regulation which enables the payments to be made and to be made sensibly.

I wish to say one or two words to the opposition, as they like to style themselves. This Parliament is not impressed — even though Lord Douro may be impressed — by the gibes with which he comes out. I notice that he has crept back onto his front bench, and maybe that is where he sees his future. I do not see his future there until he can manage to speak for Britain and stop making cheap little gibes which may well please him but do not alter the fact that this problem is far too serious to be solved in his way.

IN THE CHAIR : MR PFLIMLIN

Vice-President

Mr Welsh (ED). — Mr President, a point of information. May I ask Mr Balfe if all the British Labour Party Members of the Socialist Group were meeting the Conservative Party chairman, or is it simply that he is the only one that they can trust to go to the Committee on Budgets?

President. — Now please, Mr Welsh, we do not want to break the flow of the debate, do we? I call Mr Fich.

Mr Fich (S). — (DA) Mr President, for the fourth year in succession now we are discussing this matter of repayments to Great Britain, because that country thinks there is an imbalance between payments and returns. It is a debate which for the fourth year in succession is vitiating all discussion. Let us just take a dispassionate look and see what the situation actually is, how the system of payments to the Community actually works out.

If we try to see what each inhabitant of the individual countries pays, ignoring the external customs tariff

Fich

which after all is paid by the exporters, so as to get a true picture of what each inhabitant pays in VAT, which is the main source of finance for the Community, we note the following: Luxembourg pays most, at 60 ECU per inhabitant per year. Then come West Germany and France at about 50, followed by Denmark, then Belgium, the Netherlands and Great Britain at about 40 ECU per inhabitant. After these, of course, come Italy, Ireland, and finally Greece at 18 ECU per inhabitant. Thus we have a system which, all things considered, is absolutely realistic. We have progressivity spanning a range of over 300 %, and we can see that the countries, broadly speaking, pay according to how rich they are, if we look at it in per capita terms. I think this is worth pointing out because, in its essential simplicity, it means that our financing system is basically sound.

If we calculate in the repayments which are now being discussed, what will become of the financing system? We shall suddenly be faced with a situation in which the people of Great Britain pay the second lowest rate, less than the peoples of Ireland and Italy and only more than that of Greece. This means that, by way of this repayment, we turn the entire financing system on its head. What needs to be discussed therefore is not the financing system but, on the contrary, the expenditure side. The expenditure side is what should interest us. I would point out here that there is now agreement on the need to make savings in the agriculture sector. Surplus production must be cut back, and the most inefficient of the regulating mechanisms must be overhauled. There is also general agreement that we must devise new forms of policy which together will bring about a situation in which the expenditure side will be in better balance for the individual countries. I think we should take this to heart. We are on the right road. The question is: should there be a transitional arrangement? If there should be — and I have never been strongly in favour of such an arrangement — I think that the proposals before us make better sense, for example, the rule that the Community should only finance 50 % of the projects. Indeed we want to be sure that the countries themselves are interested in solving the problems and that they make their own contributions to solving them.

I would remind you that what we are discussing is the regulations, and the form these are now to take has nothing to do with whether Parliament will release the funds we have blocked in the budget item. I would draw attention to the fact that we have blocked the funds until further notice, and they can only be released under a decision concerning them. This means that the decision does not automatically flow from the discussion on the regulation, but can only be taken if and when a long-term solution has been found at the Brussels Summit in March.

Mr Lange (S), chairman of the Committee on Budgets. — (DE) Mr President, ladies and gentlemen this is, as has just been stated, no less than the fourth occasion on which the House has debated the problem of imbalance and disadvantage — or favour, whatever that may be — of Member States, individually or in general.

Last year — to be exact, as early as 18 November 1982 — the Commission, in a communication to the Council, declared itself a proponent of the view that such repeated transitional arrangements in the form of infrastructure promotion schemes should promote genuine Community policies. A further extension, an *ad hoc* solution of this type in the framework of the proposal for a regulation now before us, was felt by the Commission to be uncalled for. That means that the Commission will have to make more strenuous efforts to further develop its policy in the various fields at Community level and to diversify and broaden its financial system in conformity with its recommendations.

Notwithstanding this, the Commission has once again presented a proposal which constitutes no more than an *ad hoc* solution. The Committee on Budgets, and I trust the House will see its way to emulating the committee, has attempted to increase the Community character of the proposal rather than confining ourselves exclusively to the more or less urgent particular problem of two Member States, the United Kingdom and the Federal Republic of Germany.

The Commission could have honoured the pledge it gave us in 1982, for such was the *quid pro quo* for our acquiescence to the first supplementary budget in 1983. It decided, however, to trust in its conviction that forgetfulness is an exemplary attribute of humanity in general and the parliamentarian in particular and that this would see it through. I trust the House will adopt the recommendations of the Committee on Budgets and that the Commission can see its way to accept Parliament's decisions. It remains, of course, for the Council to seek a lasting solution to this issue. It has already been pointed out — and I would urge you not to forget it — that these proposals for regulations which Parliament must deal with and have rounded off, as promised, by 31 March 1984 would stipulate from the outset that the resources be released from Chapter 100.

That is, however, not the case, for the Council — and, more particularly the European Council, still has a task to complete. On 19 and 20 March next it must create the conditions on which the transfer from Chapter 100 to the relevant headings is contingent. I would therefore appeal to the Commission to urge the Council to take the appropriate action, and both Commission and Council should adopt Parliament's recommendations with a view to extricating ourselves from our current difficulties.

Lange

The Council will also find that Mrs Scrivener's report contains suggestions as to the way in which this could be achieved in the short- or medium-term. The most crucial aspect is the Commission's increased commitment to the task-related side of the equation without allowing itself to be blinded by the resource-related side, for an extension in own resources will not do the trick alone. Even if own resources were to be increased, we would find ourselves once more in a similar predicament to that which we are currently experiencing unless accompanied by decisive and far-reaching reforms on the expenditure side which would free the necessary resources to be allocated to the really needy regions of the Community, thereby enabling them to reinforce their economic and social structure and to afford better opportunities to their citizens. This much is, therefore, desirable and it cannot be attained through the CAP alone but must be accompanied by measures in the areas now under consideration — employment, energy and transport. We must, however, harness the whole of the regional policy and use it as a compensation-related instrument, for only then can any headway be made; and this means that one can no longer continue to pursue regional policy on the basis of quotas. In other words, the portion, be it 80 % or 90 %, is irrelevant in this scheme of things. Rather regional policy resources must be allocated free of any quota limitation, but then only to those really needy areas. The Commission should commit itself to such an objective and the Council should also take a hand.

(Applause)

Should that come to pass, we shall have mastered, in the immediate future, the difficulties with which we have been wrestling over the past three or four years. I would, in consequence, make an urgent appeal to Parliament to adopt Mrs Scrivener's recommendations, and, on a similar note of urgency, I would urge both the Commission and the Council to pay particular attention to the points we have been making here and, if possible, to be guided by them. That would enable us to close for good this chapter of shortcomings within the Community.

(Applause)

President. — The debate is closed.

Vote ¹

After the vote on the Commission's proposals

Mrs Scrivener (L), rapporteur. — *(FR)* Mr President, I should like to know the Commission's position, now that it knows which amendments have been adopted by Parliament. I make this request under Rule 36 of the Rules of Procedure.

¹ See Annex.

Mr Giolitti, Member of the Commission. — *(IT)* Mr President, in response to Parliament's invitation I shall now state the Commission's position on the five amendments which, in our view, pose serious problems. I shall follow the order in which the amendments have been voted, rather than their order of importance.

As regards the elimination, in Article 2 (1) of the regulation on employment, of the link between the retirement of older workers and the creation of new jobs, the Commission feels that this represents a substantial alteration to its proposal and may cause serious difficulties in the proper application of the regulation, whose financial effects may overlap into the field of action of the European Social Fund.

Moreover, the proposed aim is one which meets the desires of Parliament: the promotion of employment, particularly for the young. The Commission therefore does not feel it can accept this amendment.

As regards the cutting down to 50 % of the maximum overall contribution by the Community — amendments to this effect have been voted for each of the regulations — the Commission certainly shares Parliament's desire for greater convergence between the financial arrangements normally adopted by the Community and those concerning the special provisions here considered.

But we should bear in mind here that although in many cases the Community financial contribution is 50 %, it can be as much as 70 % for some measures: for instance, under the Regional Fund; it is also often more than 50 % for certain Social Fund measures.

In general, the Commission's view is that high contribution rates tend to strengthen the Community nature of measures and also allow greater concentration of financial resources on priority measures.

Besides, the Commission has proposed substantial increases of contribution rates in the new proposals relating to the Regional Fund and also to the integrated Mediterranean programmes. The Commission therefore considers that a rate of 70 % should not be regarded in principle as either unrealistic or incompatible with the policies normally followed.

However, in recognition of the reasons for the amendment voted by Parliament, the Commission is prepared to review its initial proposal in order to come significantly closer to Parliament's position and to go down as far as 60 %.

As regards the amendment concerning the admissibility of programmes, or projects, for financing, we consider that it seriously complicates the implementation of the regulations and may, at least to some extent, make it inapplicable. The Community contribution envisaged is for projects and programmes

Giolitti

whose Community interest lies specifically in their size and scope. That of necessity implies implementation over a number of years — as indeed a number of speakers pointed out in the course of the debate.

This being so, it would not be realistic to imagine that, with the criteria of admissibility proposed by Parliament, it would be possible to find enough projects in new sectors, for instance, in the transport sector. How are we to reconcile the need for plurianual programmes, on which our two institutions are agreed, with the restriction that only programmes and projects started after 1 January 1983 can qualify? This restriction considerably reduces the choice. This is why the Commission has proposed, in its regulation on energy strategy, that at least 20 % of the Community's total contribution should be reserved for projects started during the twelve months preceding the entry into force of the regulation.

The Commission would thus prefer to keep to its text, which allows a wider range for programmes and projects to be considered, and to make choices more heedful of Community interest, precisely so as to respect the Community priorities which we want to promote.

As regards the rate of payment of the advances, the Commission has already most carefully studied the amendments proposed by Parliament. Compared with the Commission's proposals, these amendments represent a more complicated approach and one that would probably lead to administrative complications. The Commission would therefore have preferred a simpler solution, but is prepared to accept the amendment which has been adopted.

Finally, as regards the decision-making procedure, the Commission had opted for a committee on the model of the Regional Fund. Parliament, on the other hand, wants this committee to be purely consultative; it goes along with the procedure and the voting arrangements, but wants the Commission to adopt decisions having immediate effect, after the committee has delivered its opinion and irrespective of the nature of that opinion. The Commission is sensible of the arguments in favour of this amendment, but wishes to point out the special nature of the three proposals for regulations which have been adopted and the limitation in time. For this reason the Commission prefers for the present to maintain its proposal of a committee on the Regional Development Fund model.

Mr Lange (S), chairman of the Committee on Budgets. — (DE) Mr President, ladies and gentlemen, the Commission has, to all intents and purposes and with lots of 'ifs' and 'buts', rejected Parliament's recommendations. It is now incumbent on the Commission to state its position and the extent to which it feels capable of approving a combination of recommendations and the Commission's conceptions. We ought to

reflect upon whether Article 36 of our internal Rules of Procedure is to be applied in full, and the Commission should endeavour to make appropriate proposals to the Committee on Budgets. In other words, we ought to refer the report back to committee as a prelude to the Commission's revamped proposals. Perhaps a compromise could be thrashed out in this way.

(Applause)

At any rate I would consider it an ideal point at which to round off our debate and to refer the matter, in conformity with Article 36 (2), back to the responsible committee and for us to endeavour — I hope the Commission will see its way to achieving this in the course of this week — to reach a definitive decision this coming Friday. Failing this, we shall have to wait until one of the March part-sessions. This would, however, be a great disappointment to me.

Commissioner Giolitti's intervention does not provide a sufficient basis on which to gauge the Commission's attitude. To this must be added our experience with the Council in the concertation procedure. Both give rise to the suspicion that the Commission, in its discussions with the Council, is not budging from its original position thereby showing no interest in reaching a real compromise with Parliament. Hence our commitment to an undiluted application of Article 36 (2).

(Applause)

President. — The chairman of the Committee on Budgets requests that the report be referred back to the committee, pursuant to Rule 36 (2). I shall give the floor to one speaker for and one speaker against this motion.

Mr Adonnino (PPE). — (IT) Mr President, I want to say to the House that, while I appreciate the Commission's endeavours to meet our requests, I feel that on two fundamental points in particular — one of which concerns the types of programmes to be financed and the other the procedures for qualifying them for the financing — the response has been negative. These are two points on which Parliament has expressed its stance by a majority; they are also two points which we regard as fundamental to the possibility of finding solutions to problems related to the financial imbalances.

On behalf of my group, therefore, I propose that we do not proceed to the vote on the resolution tonight, in view of the new situation which has arisen, but that the whole issue be referred back to committee with the hope that the Commission, having had time to reflect more carefully on Parliament's position, will be able to submit proposals which, let us hope, in the next few days or, at worst, in the next few weeks, before the March part-session, will allow us to close this very special, very difficult and very pre-occupying issue once and for all and to everybody's satisfaction.

Lord Douro (ED). — Mr President, my group will oppose referral back to committee. The committee has considered this at great length. The House has had a debate this afternoon and has voted more or less along the lines of the Committee on Budgets. It has been tentatively agreed that there will be a conciliation meeting next week between a delegation of this Parliament and the Council of Foreign Ministers. That is where the true conciliation will take place. It is important for Parliament that that conciliation procedure should begin. Parliament wishes to exercise influence on the final form of these regulations, and the best chance it has of exercising influence is to allow the conciliation procedure with the Council to go ahead as soon as possible.

There is one amendment adopted by the House this afternoon which relates to the date of initiation of the schemes which would qualify under the regulations. I fear there has been considerable misunderstanding in the House about that amendment. I believe that many Members who voted in favour of that amendment do not in fact realize that it will exclude a whole series of projects which the majority of the House would actually be in favour of. For those reasons we would ask this House to continue with the vote now, to vote on Mrs Scrivener's resolution and not to refer it back to the committee.

(By roll-call vote Parliament approved the request for postponement)

Mr Forth (ED) — Mr President, May I ask if you had received the request for a roll-call vote in writing before the vote, as is required by the new Rules?

President. — No. It was an oral request, but I cannot see that that is any reason to make the whole procedure null and void.

4. *International financial institutions*

President. — The next item is the report (Doc. 1-1263/83) by Mr Hopper, on behalf of the Committee on Economic and Monetary Affairs, on the role and functions of the international financial institutions in the current monetary situation.

Mr Hopper (ED), rapporteur. — Mr President, in studying this report the Committee on Economic and Monetary Affairs addressed itself to the question: Should there be a new Bretton Woods conference? On my advice, it decided against for three reasons.

The first is that to inaugurate and carry out such a conference would take many years. There is so much disagreement on the subject that it would resemble the Conference on the Law of the Sea or, indeed, it might even resemble our own attempts to establish a common fisheries policy.

Secondly, the work involved in setting up such a conference would avert all our attention from the very real economic problems that such a conference was designed to solve.

Thirdly, I put it to you that the existing Bretton Woods system has in fact worked remarkably well. In the last 40 years, disregarding the hiccups caused by the oil price crisis, we have seen the greatest expansion the world has ever seen in the prosperity of almost all nations. We should therefore be very careful before we upset this system. This does not mean that improvements are not possible. Indeed, I believe we have to look both at the functioning of the system and at certain of the theories which have been implicitly accepted in that functioning.

I would like to start by referring to two assumptions that have underlain the system. The first is that the trade account of each nation should balance, taking one year with another. Since the capital account of each nation is the mirror image of its trade account, the assumption has also been that the capital account of each nation should balance, taking one year with another.

There has been an obligation on countries running a trade deficit to bring that deficit into balance within a reasonable number of years. Curiously enough, there has been no obligation on running a trade surplus to bring that surplus into balance. This assumption that each country should run a trade balance at zero, taking a number of years together, goes against all history. If you look at my own country, you find that for 200 years it ran a trade imbalance on a very large scale and at the same time was a very major net exporter of capital. It seems to me that, as we look forward to the next 40 years, we should revise this assumption and be prepared to assume that certain countries are natural exporters of both capital and goods and that other countries are natural importers of capital and goods. We should not put the same stress upon bringing trade balances back to zero.

The other assumption which I believe we should question is that you can have free trade without free movement of capital. In my opinion, any country which interferes with capital movements is also interfering with trade movements, since the one is merely the mirror image of the other. Indeed, I would go further — in the presence of my esteemed colleague, Mr de Ferranti — and say that the most insidious barriers to trade are those which directly affect the capital account.

I am pleased to say that this view is gaining wide acceptance. If you look at the press release issued after the meeting between President Reagan and Premier Nakasone in Tokyo, you will see that at least half of that press release is concerned with liberating capital movements.

Hopper

I have spoken of the need for revising theory. There is also a corresponding need for revising practice. This is dealt with extensively in the report. I will merely mention two matters. One is the need for the actual monitoring and, indeed, policing of capital movements so as to ensure that there is no deliberate interference in order to manipulate trade surpluses. The other is a longer-term matter, namely, that I do believe that there is a need to increase the capital of the World Bank in order to assist with the development of the countries of the Third World. But this will have no impact on the current crisis. It is some years away.

Let me say in conclusion how much the committee welcomed the improved workings of the European Monetary System. In particular it noted the vastly increased degree of economic cooperation amongst Member States of this Community. It is my wish to see this kind of economic cooperation extended outside the Community so that the Community can negotiate with Japan and the United States in trying to establish some community of policy. I believe, in particular, that the European Community should work with Mr Volcker, Chairman of the Federal Reserve Board, in supporting his efforts to bring down the enormous deficit of the United States Government.

Mr Giolitti, Member of the Commission. — (IT) Mr President, ladies and gentlemen, in the Commission's view the report by Mr Hopper represents a valuable contribution to the debate on the role of public and private international financial institutions in the present difficult financial conditions. This report describes clearly the main reasons which led to the debt crisis in the autumn of 1982 and in general to the excessive use of debt financing: the failure by the less developed countries to make the requisite adjustments, the dramatic rise in interest rates and the recession due to the industrialized countries' efforts to counteract the inflationary effects of the oil price rise.

The report also provides an analysis of the present situation and of the dangers we run if our current attempts to improve matters should fail. It rightly draws attention to the need to ensure a continuous flow of finance to the less developed countries, both to meet, in the short term, their most urgent liquidity needs and to prevent, in the longer term, a crisis of the international financial system.

It is suggested in the report — and we are in agreement — that there is no need for any new official institutions. The institutional role of the International Monetary Fund is to restore to balance the payments positions of countries which have found themselves in difficulties by means of adjustment programmes and interim financing. When the balance of payments is seriously in deficit and when the country's indebtedness is excessive, then it is necessary to put into effect a readjustment programme that can bring the country

into a better economic equilibrium. The combined application of a readjustment programme and of interim financing — which is typically what the International Monetary Fund does — represents the appropriate solution.

It is hardly necessary to point out that the scale of the problem is such that the International Monetary Fund alone would not have been capable of providing sufficient finance to the countries which encounter difficulties in servicing their external debts. It is not surprising therefore that these countries found themselves obliged to seek additional finance from international commercial banks. The private banks welcome, in fact, the IMF's role, and it has become standard practice for the Fund to intervene whenever a debt is being restructured. These developments have led to close cooperation between the International Monetary Fund and the commercial banks, a cooperation which is pivotal to every measure aimed at dealing, in the immediate present, with the problem of international debt.

Mr Hopper's report stresses the need for this cooperation, but there seems to be no need for any formal changes to the present arrangements under which measures are taken flexibly and decided on a case-by-case basis. There is also the need to ensure, for the long term, adequate resources for development. While, on the one hand, the World Bank is increasing its resources, it has, unfortunately, not proved possible to obtain more resources for the IDA, whose loans are of particular importance for the less prosperous countries. There is now general agreement that it is essential for the international banks not to refuse credit to the less developed countries. Of course, serious difficulties have occasionally arisen as a result of unwise international financing policies or of excessive exposure in some regions. But there is always a vital function for the international banks in supplying the short-term needs of countries in difficulties and their longer-term requirements.

Finally, the report stresses that the resumption of growth of world trade is an indispensable lever which can ensure in the long term the solution to today's financial problems. It very properly underlines that measures to promote economic expansion must not become an excuse for not tackling monetary problems. Following last year's Williamsburg Summit, the Community has undertaken, along with other industrialized countries, to study possible improvements which can be made to the international monetary system. I can give the assurance that the Community intends to play its full part in this work and contribute to its positive outcome.

Mr Herman (PPE). — (FR) Mr President, ladies and gentlemen, our group intends to support Mr Hopper's commendable report, commendable indeed to the point of being entirely free of amendments.

Herman

We have, as might be expected, a very heightened interest in the evolution of the international monetary situation for the three reasons which I shall enumerate.

Firstly, it is illogical that the sole international monetary standard, the only internationally recognized mode of payment, should today be a currency which is managed by and on behalf of the vested interests of a superpower. A second cause for concern stemming from this evolution is, naturally, the mounting indebtedness of the developing countries and the stress this is placing on the solvency of the international banking system. The third factor giving us cause for alarm is the chaotic and uncontrolled expansion of Euro-currencies.

These trends ought to be instrumental in encouraging the proponents of a certain international monetary order to meet and exchange ideas with a view to rediscovering and reimplementing a system — taking account of the contemporary scene — analogous to the Bretton Woods Agreement.

It would appear to me to be utopian to believe that such an agreement could be attained in the course of one meeting, however well prepared.

It would seem that points of view are so far apart, and views as to what should constitute an international monetary order so divergent, that the ultimate goal could not possibly be attained in one stage. This merely serves to underline the need for Europe to reinforce, more than ever, its monetary identity, to create a zone of monetary stability and for its spokesmen to enter into detailed and permanent concertation as equal partners with their counterparts from other zones, principally those of the dollar and the yen — and not only against the backdrop of one or other summit of industrialized countries — in order to determine jointly the working parameters with the intention not of restoring fixed exchange rates, but of at least ironing out fluctuations not rooted in fundamental changes on the economic front.

Hence the need for us Europeans to put our own house in order and to speak with one voice in international monetary organizations such as the IMF and the International Bank for Reconstruction and Development. The recently approved increase in IMF resources was ample demonstration that when Europeans speak with one voice, unlike the situation which has prevailed hitherto, they will be vindicated, even vis-à-vis the United States.

This lesson should be remembered. It is essential that Europeans speak with one voice on all aspects relating to international liquidity problems, in particular the problem of Third World indebtedness. It is a precondition if they are to exercise any influence on world developments.

Hence our positive reception of the commendable Hopper report, for which we intend to vote. It

outlines the objectives and the approach we shall have to adopt in unison if we are to really exercise this influence and thus continue to amend and improve the international monetary system.

Mr Purvis (ED). — Mr President, we are all concerned about the debts of the Third World countries — the 40 billion dollars of Argentina, the 60 billion dollars of Brazil, as well as Mexico, Tanzania and all the others. But these pale into insignificance against the annual budget deficit of 250 billion and a trade deficit of over 100 billion which the USA is currently running, and with little or no attempt to get it under control. Indeed, the surprise is that these colossal deficits are not leading to the expected rampant inflation in the States, even higher interest rates, crowding out of the private sector, collapse of the currency, overheating of the economy and knocking on the head of the young and tender economic recovery we are witnessing.

The reason for this is that this budgetary profligacy is being supported or has been supported up to now by inflows of capital from abroad, from the oil producing countries to some extent and from us here in Europe. It is we who are being crowded out, we and the developing countries. Very well! That, perhaps, we can accept. We have to compete for capital. Capital will go and should go where the return is best. The trouble is that we may well be winding up the clockspring that will sooner or later reach the limits of its tolerance and come flashing back. Then, even all the petrodollar imbalances of 1973 and 1979 will pale into insignificance if this unwinding gets serious. There will be a flight from the dollar, higher, even higher interest rates, a full stop to economic recovery in America, in Europe, everywhere, and a further unbearable tightening of the screw on the developing countries.

The danger is ever present, since the breakdown of the Bretton Woods exchange rate system, of major monetary shifts, not just upsetting the world economy but indeed bringing about an economic catastrophe. That is why it is of the utmost importance that there be a much more effective level of cooperation and coordination between the world's monetary economic blocs. This is suggested in Mr Hopper's paragraph 27. If this is the purpose of meetings like Williamsburg and Versailles, so far so good. But they singularly lack any sense of urgency or commitment to face up to the dangers and consider implementing some form of fire-fighting system, some standby, to deal with the troubles that could arise.

Indeed, the resources of the world's monetary firemen, the IMF, the World Bank and the IDA, are constantly threatened by cutbacks and cutdowns. No doubt, in the way we usually do these things, we will wait until

Purvis

the crisis breaks and then run for the pumps to find that the hydrant points are unfindable, the hosepipes are full of holes. Surely statesmanship requires greater foresight than this and some degree of contingency planning. Europe should take the lead.

Mr Bonaccini (COM). — *(IT)* Mr President, our group also has not tabled any amendments, because in the debate in committee we noted a difference of views on the most important subjects and we did not wish to hide it under the cloak of amendments which could have misrepresented the real nature of the debate. Now, I am grateful to Mr Hopper for the excellent work which he has certainly performed and for the absolute clarity of his exposition of the fundamental issue: whether the Bretton Woods system should be reformed. He has also shown us the reasons why such a reform appears laborious, difficult and impossible to accomplish in a short space of time.

But to him and to Mr Herman I want to say this: tasks which are not undertaken always remain undone and are always seen as not feasible. This is why I find much more congenial the concluding part of Mr Giolitti's speech when he reminded us that the Commission is engaged in work to improve the functioning of the world monetary system. It is not enough to recall, as the motion for a resolution does in point A, that the system exists; it is also necessary to show — and this, in my opinion, is the aspect missing in the analysis proposed — how the system has functioned, what problems it has presented in the past and presents now.

I need not add another word to what Mr Purvis has said, but we all know from personal experience that we are living in the midst of a terrible crisis, a crisis which has awful consequences for our entire economic activity, and from which we shall not emerge just by saying that everything was fine in the past and can go on being fine if only we put a few cosmetic touches here and there. The deflationary effect resulting from the system is enormous, and we cannot turn a deaf ear to the demand from New Delhi, from the countries calling for a new conference. These countries are calling for it, and so are some European countries. They certainly do not imagine that a system so well regarded can be re-made in a day. What they are asking is that in the course of that one day, and of many that will have to precede and succeed it, the fundamental question which was not confronted at Williamsburg should be tackled. How are we to deal with all this? Perhaps by directing at the 'Brandt Commission' only our opposition to its generous proposals — I call them that, but they seem also reasonable proposals to me. No, I do not believe that this is the rational way to deal with the problem. And whereas I approve paragraph 21, in which Mr Hopper calls for a Community approach, I cannot accept paragraph 27 in the extreme terms in which it has been drawn up. This is why our group

will say again in the House what it has already said in committee.

Mr Delorozoy (L). — *(FR)* Mr President, ladies and gentlemen, the Hopper report is a very timely reminder of the profound imbalances which exist at present in the international financial and monetary arena.

The haplessness of the endeavours of the financial institutions to assure a coherent and stable international system is apparent. But it is no less true that central banks, official regulations and financial mechanisms cannot continue indefinitely to function in a manner which is at odds with the deep-seated changes on the world scene and will ultimately be forced to adapt. This highlights the inevitability of a restructuring of the developing countries' debt through the medium of negotiations between debtors and creditors, whether public or private.

We share the rapporteur's views on the need for more tangible measures at Community level, but we do not, for all that, entirely agree with his analysis which has led him to identify the abandoning of the dollar standard in August 1971 as the culprit which triggered off monetary instability, culminating ultimately in a noticeable decline of the dollar. One cannot avoid concluding that the dollar remains, as substantiated by the facts and figures, intrinsically stable within the global volume of financing in international trading.

Since 1971 the dollar has outperformed both the Deutschmark and the Pound Sterling in the official foreign exchange reserves of over 75 countries in the world. However, within this context of international financial relations the Community must accumulate the wherewithal to enable it to constitute a zone of stability over and above the rudimentary mechanisms of the European Monetary System. Coordination of legislation governing banking in the individual Member States, on the one hand, together with control and surveillance measures which are more in line with the contemporary risks confronting international banks, would appear to be indispensable henceforth.

To close, I must reiterate that acceptance of the ECU as a currency — in the form of an official quotation on money markets and the issue of bonds denominated in ECU — the lifting of exchange controls throughout the Community, an increase in the role of the ECU and the opening of the European Monetary System to the outside must be achieved as quickly as possible.

(Applause)

Mr De Goede (NI). — *(NL)* Mr President, the international monetary situation remains precarious and uncertain. The rapporteur, Mr Hopper, has, quite rightly, highlighted this point but there are, happily, a number of grounds for optimism if we contrast it with the conditions which prevailed a few years ago.

De Goede

To begin with, the nascent, still somewhat hesitant economic recovery in the United States is at present continuing to proceed apace, and we may look forward to a noticeable revival of world trade. In most industrialized countries inflation has been reduced considerably. The developed countries' economies are once more experiencing modest growth. Large budget deficits remain a matter of concern. A high real interest rate, high unemployment rates and, in particular, the very high American budget deficit continue to give rise to a great deal of concern. It is certainly not a healthy state of affairs that the U.S. dollar continues to be quoted at far too high a level and that an annual capital outflow of the order of 50 of 60 thousand million dollars continues to leave Europe, bound for the United States.

A second cause for optimism lies in the improvement in the debt situation of the developing countries. The World Bank 1983/84 survey leaves no grounds for doubt on this. Although their debt burden amounted to some 96 thousand million dollars last year, the sums allocated by the developing countries to interest payments and debt redemption nevertheless still managed to exceed by some 21 thousand million dollars the new loans contracted. This translates into an increased burden for the 13 most heavily-indebted countries.

The difficulties could be gradually overcome if only the developing countries could achieve an increase in their exports to the extent that their export revenue expanded at a more rapid pace than their interest and debt-redemption burdens. It is apparent that considerable price fluctuations with regard to their raw material exports are mitigating against their chances. The Stabex system can provide support here.

In addition the industrialized countries will have to achieve a substantial growth rate of their economies — something of the order of 3 % per annum — and recent forecasts have revealed that the Community will fall short of it this year. With regard to the debt position of Eastern bloc countries, some stabilization has now been achieved.

These grounds for optimism cannot, however, detract from the fact that the international monetary situation remains alarming. A new 'Bretton Woods Conference' is indeed called for but the real question is whether or not the United States and other leading industrialized countries would go along with this. However, an analysis of the events of the past 10 years, which have placed considerable strains on the international monetary system, is unavoidable if we wish, at least, to lessen the already too substantial risks and endow the financial markets with more stability.

I echo the rapporteur's view on the need for improvements to existing international institutions, such as the IMF and the World Bank. An increase in the resources of such institutions, as called for by the Brandt Commission is urgently needed.

Coordination of the economic policies of a number of large industrialized countries is equally called for, but the most recent events do not provide grounds for optimism. I am afraid I fail to understand the rapporteur's condemnation in this respect of the so-called coordination within the Community, for such a measure has at least some merit. Indeed for years now we have failed to lay the foundations of a rudimentary coordinated Community economic policy. Had we been successful in our endeavour, we would probably be in better health today.

Mr President, a debt crisis, and such was the very real danger confronting us, can give rise to a liquidity crisis in banking circles. Clarification of the responsibilities and interdependence of central banks is necessary. Linked to this is the problem of lack of information and, here too, action is called for.

Mr President, as soon as — and hopefully in the near future — the prospects for the developing countries look up, it will be necessary to apply more rigid criteria than has heretofore been the case with regard to lending operations. For it defeats the purpose to saddle such countries with debt redemption and interest payments which cannot possibly be earned from the projects for which the loans were contracted in the first place. It is more judicious to have the foresight of timely verification prior to incurring a loan than to have to submit to the kind of draconian austerity programmes to which the IMF resorts in dealing with countries faced with too many problems as it is. We shall vote for the Hopper report; it is a useful, if somewhat brief, account of the problems calling for urgent attention. The European Community cannot and must not fall behind in its contribution and in the development of initiatives in this area.

Mr Adamou (COM). — (GR) Mr President, whereas the Hopper report presents a very real problem faced today by the international monetary system, it avoids apportioning responsibilities and drawing conclusions, even though, as the report states, the credibility of the West's banking system is at risk. Yet, it is that very system which has created today's situation. Because it is impossible for the so-called Third World countries to keep pace economically with the conditions of the liberal economic policy imposed upon them; they have accumulated horrifying debts and are today facing the spectre of starvation. A characteristic example is provided by Brazil, which, while it used to be presented as a case in which free economic development was succeeding, is today unable to service its debts; this, because the rules of economic policy imposed upon such countries by the international credit organizations as a condition of their loans are unfavourable and usurious. The recent events in Morocco, with mobilization of the people and dozens

Adamou

of deaths, are the result of conditions imposed by the International Monetary Fund that led to a doubling in the price of the basic necessities of life.

Mr President, monetary instability is created by countries with strong currencies that are used as depositories. This results in a wholesale export of inflation and unemployment to countries with vulnerable economies. The main responsibility lies at the door of the USA, which, with its policy of high interest rates and its profit motivation, is attracting a massive inflow of capital and in effect profiteering at the cost of the exchange stability of other currencies. The main responsibility for today's situation rests with international monopolistic capital, which, having elevated the profit motive and usury to the status of the highest principles, is now concerned about the frightening consequences of its actions. The structural economic

problems of the Third World cannot be dealt with in a random manner. The international monetary system must be reorganized within the framework of a new international economic order that takes account of the developmental needs of all countries, especially those of the Third World, and which will not contribute to the generation of excessive profits for international monopolistic capital. However, in our view no such thing is possible under a capitalist system.

President. — The debate is closed.

*Vote*¹

*(The sitting was closed at 8 p.m.)*²

¹ See Annex.

² Agenda for next sitting: see Minutes.

ANNEX*Votes*

The Report of Proceedings records in an annex the rapporteur's position on the various amendments as well as explanations of vote. For details of the voting the reader is referred to the Minutes of the sitting.

SCRIVENER REPORT (DOC. 1-1353/83 — EMPLOYMENT : TRANSPORT : ENERGY) : POSTPONED PURSUANT TO RULE 36 (2)

* * *

HOPPER REPORT (DOC. 1-1263/83 — INTERNATIONAL FINANCIAL INSTITUTIONS) : ADOPTED

Explanation of vote

Mr Wurtz (COM). — *(FR)* The French Members of the Communist and Allies Group intend to vote against the rapporteur's motion for a resolution. Let us gloss over the fact that a report on the international monetary situation has been entrusted to a representative of a Member State which still refuses to join the European Monetary System. More fundamentally we believe that, by creating a moratorium with regard to the main culprits for the present monetary instability, the report sidesteps the most crucial problems and thus makes no attempt to solve them. It does not go to the heart of the matter : that is, that the present monetary instability will continue for as long as the United States, whose reserve currency is overvalued by some 30 %, is able to continue to run a budgetary deficit as gigantic as 200 thousand million dollars by means of a monetary policy whose consequences, as has been stated earlier, will be calamitous for the poorest countries. Nor does the report indicate that the prevailing interest rates leave the economies of such countries without the chance — to put it mildly — of reviving. In such a context, to speak of restructuring the debt without underlining the relationship between the rise in the value of the dollar, on the one hand, and the increase in the debt burden, on the other, and to envisage tighter International Monetary Fund controls must be seen as the essence of cynicism. We know only too well where the severe austerity programmes imposed by the IMF lead ; the results have been witnessed — tragically — in Tunisia and Morocco.

We believe, therefore, that the objectives to be pursued in the lending operations of international monetary institutions should be adapted to the dictates of a policy of growth rather than to one of austerity. Mr President, our Parliament would have been better advised, on this eve of the ACP-EEC meeting in Brazzaville, to have asserted this principle.

SITTING OF TUESDAY, 14 FEBRUARY 1984

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IN THE CHAIR: MR DANKERT

President

(The sitting opened at 9 a.m.)

1. *Approval of the Minutes*

President. — The Minutes of Proceedings of yesterday's sitting have been distributed.

Are there any comments?

Mr Dalsass (PPE). — *(DE)* Mr President, in the Minutes of yesterday's sitting, it rightly says on page 15:

Marck report on the dismantlement of monetary compensatory amounts ... it being understood that this report could be included on the agenda for the March part-session dealing with farm prices.

The rapporteur had hoped that this report would be dealt with, not on this coming Friday, but in the

course of the March part-session. I see from today's agenda, however, that this report is to be put to the vote. I think we should not vote on this report, but leave things as they stand in yesterday's Minutes. I hope you can agree to this.

President. — Mr Dalsass, I have a difficulty which comes from the Committee on Agriculture. This committee has asked for urgent procedure. If and when this request is withdrawn, the difficulty will be resolved and the report can be dealt with in the normal way together with the agricultural prices.

Mr Curry (ED), Chairman of the Committee on Agriculture. — Mr President, I think it would suit everybody if this report were to be taken along with the farm prices and the milk report in March.

President. — The request that the Marck report be dealt with by urgent procedure is therefore withdrawn, and we do not vote on it.

Mr Hord (ED). — Mr President, as the special parliamentary flight from London and Dublin was held up, it was not possible for my proposal for an amendment to the agenda under Rule 56(1) to be here in time. I did my best, and Mr de Ferranti did present the application on my behalf. In the circumstances, would the Presidency be prepared to accept my proposal, under Rule 56(1), that the oral question and reports on the taxation of beer, wine and alcohol be made the first item on Thursday afternoon at 3 o'clock, having regard to the topicality and importance of this particular item at this time?

President. — Mr Hord, I did receive a written communication signed by the required number of Members pursuant to Rule 56(1). I have great sympathy with your request, but rules are rules and the matter should have been voted upon yesterday. I can derogate from the rules, but I would prefer not to do so for the simple reason that if we change the order of Thursday's agenda, that would mean that the financial debate is put back to the evening. The purpose of the agenda was to have the debate on economic matters in the afternoon, so I will leave it as it is.

(Parliament approved the Minutes)¹

2. European Union

President. — The next item is the report by Mr Spinelli, on behalf of the Committee on Institutional Affairs, on the preliminary draft treaty establishing the European Union (Doc. 1-1200/83).

Mr Spinelli (COM), coordinating-rapporteur. — *(FR)* Mr President, honourable colleagues, the Committee on Institutional Affairs has completed the task which this Parliament entrusted to it. Today I have the honour of asking you on its behalf to approve the resolution containing the draft treaty establishing the European Union.

Before I proceed, let me draw your attention to the fact that one line has been removed from the explanatory statement. It referred to the very first text in which the subject of institutional reform was raised, the Van Aerssen motion for a resolution of September 1979. The missing line will be restored.

I should just like to make a preliminary comment on the amendments you are being asked to vote on. One group of amendments are stylistic corrections which the committee did not have time to incorporate into the text and which it asks you to approve. A second group are amendments which put to the House substitute formulae already considered and rejected by the

committee. We must ask you to reject these, for they seek to modify texts which are the result of often complex and delicate compromises which it would be unwise to tamper with. Since we should all be aware that to produce this draft meant marrying ideas of different parentage, I shall ask the authors of the amendments to withdraw them.

The last category is amendments containing some new ideas or nuances. The committee proposes that the House adopt these or, if not, an acceptable compromise amendment which does not alter the meaning of the article. These amendments include some relating to Article 82 of the treaty and paragraphs 2 and 3 of the resolution, the acceptance or rejection of which will affect the whole political significance of the draft treaty. I shall be speaking of these shortly.

I come to the central theme of our debate, which, since it is the fourth to be devoted here to this subject, will no doubt concentrate on the essential aspect which I wish to define in the following way: today, in this House, the European Parliament must explain firmly and clearly the political reasons for our proposal. It must explain them to itself, to the governments and parliaments of the Member States, to the parties, to the social groupings and, above all, to our citizens in whose hands in four months' time we shall be placing the mandate for which we canvassed five years ago. It is to the clarity and firmness of that explanation that I want to contribute with this introduction to the debate.

Our proposal for institutional reform and the Genscher-Colombo Plan came into being at almost the same time a little over two years ago and have a great deal in common. Both stem from recognition of the contradiction between the growing need for European unity and the obvious danger that it might not merely fail to develop, but actually regress. Both projects express the view that the fundamental reason for this crisis is that the objectives to be achieved are too narrowly defined and the way in which the Community operates is inefficient. Both projects, therefore, focus on institutional reform. They are alike, too, in reflecting their authors' acute awareness that results can be achieved only by a compromise between those engaged in the search for a solution.

However, the methods used in the two approaches to the problem have been very different. The negotiators of the Genscher-Colombo Plan, ministers and diplomats, derived their legitimacy from their capacity as State representatives as such. Although they were aware that they were dealing with problems of Community significance and dimension, they were all bound by the nature of their institutional position to see things primarily from the national point of view. In the case of our project we derived our legitimacy

¹ For items relating to the tabling of motions for resolutions to wind up the debate on the Commission statement, the announcement of motions for resolutions tabled for the topical and urgent debate, and decisions on requests for urgent debate, see the Minutes of Proceedings of this sitting.

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from our role as the elected representatives of the Community's citizens, as the most authentic trustees of nascent European democracy. Coming as we do from the political and social life of our countries, we are all conscious of the need to take the problems of our respective countries into account. But our institutional task is to see things first and foremost from the European standpoint. We now know the results of these two different approaches. During the Genscher-Colombo Plan negotiations the national perspective inevitably prevailed. European considerations gradually faded and the final declaration proposes in effect that inter-governmental action should be strengthened to the detriment of supranational action. In the course of the work on the draft on which we shall be voting this evening, far from becoming weaker the European aspect actually became clearer, surer, as the work progressed.

Our text makes the Commission into a genuine political executive and preserves a legislative and budgetary role for the Council of the Union. It recognizes that there are fields in which problems should be dealt with by the European Council by the method of cooperation. But it prohibits the inter-governmental method from encroaching on the sphere of common action and, at the same time, leaves a way open for certain matters to be transferred from the sphere of cooperation to that of common action. In one sense it has been providential that the Athens Council came between Stuttgart, where the Genscher-Colombo Plan was voted on, and Strasbourg, where we are voting today on the draft treaty. For the Genscher-Colombo Plan Athens was a real *hic Rhodus, hic salta* and it failed to make the crucial leap. It had proposed strengthening the inter-governmental method and Athens demonstrated the logical, never mind political, impossibility of conceiving and carrying through by that method large-scale policies which need to be pursued over a long period, to be based on broad consensu and to overcome certain rigid national attitudes. But the disaster in Athens also showed unexpectedly what the previous Councils, despite their creeping paralysis, had managed to shield from public gaze.

For the first time, the Athens Council revealed that there was a real possibility that the union achieved in the Community could collapse and sacrosanct national egotism could return. Everyone feared the effects of such a collapse and began to look for a means of refloating the ship of Europe.

Our draft treaty could not have appeared on the political scene at a more opportune moment, for it is the only politically and intellectually valid reply to the failure in Athens. Our reply, like all true and genuine things, is both easy and hard to digest. It can be summed up in very few words: matters of common interest can be administered only by a genuinely common authority. Anyone who seriously desires to

escape from the Athens impasse must support our project, but what a mass of taboos to overcome before people will see the truths staring them in the face!

Once approved, our draft treaty will not go to the Council, which would hand it over to the diplomatic representatives, who would dissect it and bury it. We shall deliver it to the national governments and parliaments, asking them to set in motion the ratification procedures.

The Committee on Institutional Affairs is recommending that Parliament follows this path principally for two complementary reasons. In the first place, this elected Parliament must be clearly and specifically conscious — and proud — of being the only European body in which the citizens of Europe as such are represented, in political groupings which are the same as those that exist in the national contexts. It follows that it is the only European body capable of drawing up a constitutional proposal without losing sight of the European perspective and with the participation of the political forces of all the Member States. In the second place, the national governments and parliaments are clearly aware of the need to push ahead with European integration and therefore to say yes or no to a scheme for Europe. But, if they sit down round a table in the persons of national ministers of parliamentary delegations to draft a text, the national reflexes of the individual minister or parliamentary delegation are inevitably triggered so that they automatically begin again to discuss things from the point of view of necessarily divergent national demands. Diplomatic negotiation would quickly predominate once more for reasons of national interest and the European Parliament's text would soon be reduced to a working document and eventually laid aside.

Of course we cannot rule out the possibility that our draft treaty will encounter such obstacles, that Parliament will have to take it back, put it on the last again, so to speak, and reshape it. But let us wait and see before deciding to do that. Let us be careful not to demote our proposal now from the level of an official project from the only political assembly qualified to propose a text on European institutional reform to the level of a working document humbly submitted by a Parliament unsure of its right to draft it.

I have dwelt on this aspect of our proposal which is referred to in paragraphs 2 and 3 of the resolution and in the compromise amendment which our committee is recommending for approval because the effect of the Haagerup-Nord amendment would be illogical in precisely the way I have been trying to indicate. If this amendment were approved, we would ourselves have declared that we are incapable of presenting a viable project. Probably some of us, I for one, would feel rather ashamed to set foot again in a Parliament capable of such an act of self-mutilation and self-ridicule. We shall, therefore, I hope, decide to address

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ourselves to the governments and parliaments of the Member States to ask them to take over and approve the project.

That is when the real battle for the Union will begin and the European Parliament's role will continue to be vital, for it will have to direct and inspire a difficult and exacting operation which cannot succeed unless we learn to be singleminded.

Our political groups will be asked to exert all the influence they can on their parties and thereby on their related political groups in the national parliaments. We shall explain and publicize our draft treaty during the next election campaign. We ask here and now that the next Parliament take all the necessary measures to overcome the obstacles and secure ratification.

I should like to draw your attention, too, to Article 82 and to the compromise amendment which refers to it and which the committee asks you to approve. The article says that unanimous ratification by the present Member States is not required for the Treaty to enter into force between those that do ratify it. It will then be for the latter to decide on the date and procedure for the entry into force of the Treaty and to negotiate new relations with the States which have not acceded. I draw your attention to the fact that such a quorum means that at least six States must have ratified the Treaty and seven in a Europe of Twelve; so the smaller States will have a decisive say in the matter.

If we left any doubt as to whether a start could be made without the full number ratifying the Treaty, we should be putting the success of the enterprise into the hands not of those who are most decided, but of those States which are most hesitant, even potential opponents, condemning the entire undertaking to virtually certain failure.

Among the hesitant countries I am thinking — and I am not the only one to do so — of France, watching her with particular attention, anguish and apprehension because of the probably decisive impact which her response will have on all the other countries of the Community. The hesitation of many of our French colleagues in this House is a clear indication of serious hesitation among the leaders of their country.

Once again, it is almost providential that France holds the Presidency of the Council in this first half of 1984, which starts with today's vote on the draft treaty of the Union and will end with the European elections. Of course, no one can expect all the accumulated damage of the Athens fiasco and long before to be made good during these months, but we are entitled to expect that the way in which they can be redressed might be discovered and mapped out.

The French Government is, therefore, under an obligation during these six months to ponder the crisis in

Europe and ways of dealing with it with greater intensity and more imagination than in past years. We should, I believe, advise it not to expect much from the bilateral meetings it is so keen on.

To be sure, it is possible, even likely, that a series of compromises of a short-term nature will be found during these meetings, but one can bet on it that they will be bad compromises, because they will put off the institutional crisis for a year or two, when it will explode all the more dangerously for having been deferred.

Useful though they may be for specific limited agreements inter-governmental negotiations are bound to produce bad compromises, when what is needed is a large-scale, lasting policy.

Our Parliament must, with this evening's vote, say to all the people of France, but above all to the President of the Republic, who recently appealed for a return to the spirit of the Congress of The Hague and spoke of the need to achieve political unity, that we look to the French Presidency of the Council to do more than come and speak to us in ritual fashion, at the end of its half-year, of the Council's trifling achievements during that period; instead we expect it to recognize that our proposal is the reply, the only viable reply to the life-and-death challenge facing Europe and, with it, France, and we look to the French Government — I really do mean the French Government, not the European Council — to adopt the draft treaty and to announce that it is prepared to begin the ratification procedure as soon as the minimum number of countries required by the Treaty for its entry into force have similarly committed themselves.

In that case, these six months of the French Presidency would go down in history.

In conclusion, on behalf of the Committee on Institutional Affairs, I ask the House to vote massively for the committee's resolution and the amendments which it is recommending.

(Applause)

Mr De Gucht (L), rapporteur. — *(NL)* Mr President, it is too early to pass judgement on the preliminary draft treaty establishing the European Union, on which we shall be voting today. Whether history pays greater tribute to Parliament's initiative than to the many reports that have preceded it may depend on what actually comes of it. There are grave doubts about this. I can understand that, and I do not intend to make it my primary object to allay them. But what I can say with conviction is that there must be a fundamental change if the Community wants to find its *élan* again. And what I can say with even greater conviction, if that is possible, is that Parliament alone can provide the impulse for this change. The clearest proof of this is the Genscher-Colombo Plan, if any further proof is needed.

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Our only chance of success lies in the extent to which we can make up for the lack of intergovernmental consultation. The fact that this preliminary draft treaty is now before us gives grounds for hope. In a matter of months, a cohesive text has emerged that has the support of a large majority across the political spectrum, and this spread of support, both ideologically and nationally is essential to provide the stimulus for a European Union. Nor is there any reason to assume that Parliament will smother its own brainchild: it is too involved in the question of its own legitimacy and power for that. On the other hand, the Member States will eventually have to ratify the treaty. In practical terms, this means that we shall have to deal with the governments. For the moment, they have the power and we have the arguments.

These arguments are legion and difficult to refute. The European Community is not functioning, at a time when everything points to the need for action along these lines to get it out of its present mess. Some people believe that this mess is mainly due to the fact that the institutions do not function well. Others believe that there is no point in tinkering with the institutions when there is no agreement on the Community's essential tasks. I think this comes down to the old story of the chicken and the egg. Personally, I would say that the institutions came first, but as a legal man, I may well be prejudiced. I can appreciate that others think differently about this. It is certainly true to say that a draft treaty that does not cover both aspects will not have the support of a majority of this Parliament.

The Socialists in particular have called for an approach to the substance of the preliminary draft treaty. The Liberals believe that we can make some considerable progress by ensuring that the four traditional freedoms enshrined in the Treaty of Rome are actually respected: the free movement of persons, goods, services and capital. This is still the shortest and fullest description that can be given of an internal market, which, the Liberals believe, must, above all else, ensure that new life is breathed into our economies. For the Socialists an industrial policy, supported by a sectoral policy, is a must. In other words, they are aiming at some kind of planned economy, while the Liberals' faith in the market as the primary regulator is unshakable.

It will be for the political decision-makers to place greater or lesser emphasis on one or other aspect, and I believe that that is how it should be in a democratic and constitutional society.

This view of what a democratic and constitutional society means at European level is clearly set out in the draft treaty, and the essence is appropriate and democratic decision-making. The draft treaty is based on a dual legislature and on the need for the Council and Parliament to cooperate in the adoption of legisla-

tion. This is an extension of the present structure, in which the Council and Parliament also play this role, albeit in an imperfect concert in which the Council plays first violin and Parliament is confined to the prompter's box.

The draft treaty regards the solution of the problem of 'vital interests' as essential if the decision making process is to be set in motion once again. For the first time, these 'vital' interests form an integral part of a plan that is supranational in scope. Some people are critical of this. I personally believe that it bears witness to an indispensable sense of reality if the project is to have any chance of success. According to the relevant provision of the draft treaty, it will be for the Commission, as the guardian of the Treaties, to decide whether or not vital national interests have been harmed, and its role in taking the initiative will be strengthened. It must be remembered in this connexion that the Commission's proposals are assumed to take account of the Member States' vital interests. In other words, by recognizing that a vital interest is at stake, it admits that it has not succeeded in this respect. It is therefore unlikely that the Commission will pass many such judgements.

Furthermore, Parliament will have a not insignificant hold over the Commission through the motion of censure.

A legal basis has thus been created for vital interests, and it seems perfectly acceptable to me in this form. Vital interests or interests regarded as such are a fact. It is therefore better to incorporate this issue in the draft treaty in a way which does not stop decision-making than to turn a blind eye. And that the wording adopted for this aspect does not detract from the supranational character of the whole will be only too clear from the opposition that the French can be expected to express to this provision and from its unacceptability to the Danes, Greeks and, I fear, the British.

Mr President, a few final remarks. What is the likelihood of this project being implemented? I thus revert to my initial question. It is still being asked whether it is possible or even desirable to give what is meant to be a definitive answer. I believe that it is one of the natural tasks of a directly-elected parliament to do what we have done and what we intend to do in the future, that is, to propose a structure in which we can play the role for which we have been elected and try to get the Member States to accept it. If all we do is to appeal to a sense of reality, it would be better to drop the idea straight away, but the question is, if we only believe in day-to-day reality, if we are not inspired by certain future prospects, whether we should not drop politics altogether.

Whether our future prospects become reality will depend on the effort made by the second directly-elected Parliament and on the political will of the

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Member States to take the necessary steps to achieve genuine European unification.

I will conclude by saying, Mr President, that the European Parliament welcomes this draft treaty. Whether it will be successful remains to be seen. Parliament will wait, but I hope not for Godot.

Mr J. Moreau (S), rapporteur. — (FR) Mr President, our Parliament has to vote on the preliminary draft treaty establishing the European Union.

I am myself strongly in favour of having a more socially oriented, stronger, more cohesive and more ambitious form of European integration. I consider that the work of the Committee on Institutional Affairs and its coordinating-rapporteur have undoubtedly made it possible for us to spell out the points of agreement between us and also certain differences in our approach to the institutional problems of the Community.

Before taking our final decision, it seems to me that several questions need answering. What is the precise nature of the crisis in the European Community? Is it advisable to stress the institutional aspects when so many problems remain unsolved? Can the substance of the preliminary draft treaty help to improve the working of the Union? Lastly, has Parliament chosen the best method for opening the debate with the governments and national parliaments?

None of us is in any doubt about the inefficiency of the Community's institutional arrangements. All of us have seen that, in the face of the present difficulties, the Community is incapable of taking the decisions that are required. Where should we look for the cause or causes of this incapacity? Some say in the poor functioning of the institutions. Others lay more stress on the lack of a common political project and the lack of a common will to act, political will in other words. Still others blame the combination of these different factors. Although I, personally, believe that the institutions play a fundamental role in any society and that it would be absurd and irresponsible to neglect them, I do not think that the Community crisis consists mainly in or is due to the malfunctioning of its institutions.

There are lacunae in the Treaty of Rome, in particular in everything to do with the economic, social and cultural fields, among others. But that is not perhaps the main factor. The institutional crisis, the setting aside of numerous proposals for reform and development, worked out over the last fifteen years, are only a sign of a much deeper crisis in Europe and in European integration. I am not persuaded that all of us here wanted the same Europe. I do not mean whether Europe should be more liberal or more socialist. I mean a Europe which, accepting national and cultural pluralism, would endow itself with the political and institutional means of existence and action on its own territory and in the world at large. That is the real

issue, and I am sorry that some Members, during the discussion in committee or when tabling certain amendments, in particular on the market economy and certain economic precepts, should have tried to obscure the meaning of the debate which we have been holding and the actual choices which we have had to make. There is a deep-seated European crisis of identity, a multifaceted crisis. The transformations of all kinds taking place in the world obviously make it more apparent today than ever.

So, how are we to deal with it? There has been a strong temptation for Parliament to stress the institutional aspect. What could be more natural for a Parliament elected by universal suffrage than to transform itself *de facto* into a constituent assembly and we all know that that is the dream of each of us. Our entire history, our entire political culture inclines us that way — But is it the right way for now? Establishing the European Union is not the same as founding a State, even a federal State, in the classical and historical sense of the word. After almost forty years we all know that the paths we must follow to reach our goal are of a particular kind and must take account of the existence of powerful nation States and particular national realities which continue to weigh heavily. The European Union can result only from the combined efforts of the States, peoples and institutions of the Community. Speaking for myself I am afraid, for all the good intentions of the initiators of this project, that this move by Parliament does not clarify the issue facing us: what kind of Europe do we want and why do we want it? Instead, I am afraid that, by a kind of institutional illusion, many Members of this Parliament want to vindicate themselves in the eyes of their electorate and even of their governments. The fact is that our people are waiting for us to act on specific questions, to propose solutions to the economic, monetary, industrial, socio-cultural and other problems. When I study the different votes taken in this Parliament, I am struck both by a conformist tendency and a certain conservatism in many of our ballots. And I may say that the report that we shall be presenting in March 1984 on economic revival will illustrate in this own way the real significance of today's institutional move.

For my own part, as I have said from the start of the committee's work, I would have preferred Parliament to concentrate on proposing modifications and improvements on specific points as vital, for example, as the role of the European Council, the decision-making procedure within the Council of Ministers, the budget procedure and the need to clarify the relationship between the Parliament, the Commission and the Council. The majority of members on the committee chose, instead to produce an actual formal treaty. I must admit that the final text now before us, is a notable improvement on the initial proposals and that it takes account — not of course sufficiently, for my taste — of the needs and realities of the Commu-

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nity of today. It is regrettable, all the same, that our approach has not been more pragmatic. We have tabled several amendments to the motion for a resolution, seeking on the one hand to explain the significance of the text in relation to the need for common policies in the present situation and, on the other hand, to give this text a certain status. I should have liked Parliament to have agreed to draw up a provisional text, which, after being discussed with the national parliaments and governments, could have been modified and finally adopted by Parliament. Such an approach seemed to me more realistic and more in keeping with the real nature of the European Community today.

The problem confronting all Europeans is how best to achieve greater unification, better integration. Parliament will be judged according to its ability to put forward concrete proposals. The people of Europe, I know, have great expectations and I am struck, as no doubt all of you are, by the reactions of young people, who do not always understand the reasons for the present shilly-shallying.

Personally I hope that this debate will enable Parliament to explain its choice and to remove any ambiguity about the significance of its vote. Today Europe needs profound agreement between the various political and social forces concerning certain policies and the means of achieving greater integration. Let us cherish no illusions. The problems are real and the Members of Parliament, the governments and the Commission must all make a concerted effort to give greater cohesion and strength to the united Europe which the majority of us here hope our Community will become. I believe that it is in our interests to act honestly and at the same time with the necessary realism, so that we do not entertain hopes that exceed the real possibilities open to us in the years to come to fulfil the hopes invested in us.

Mr Pfennig (PPE), rapporteur. — *(DE)* Mr President, colleagues. The co-rapporteurs have given cogent reasons why the European Community needs a new constitution.

I should like to add a further consideration to them. I think that the European Community now stands at a parting of the ways. It has unresolved problems in special areas such as agricultural policy. It has an outdated constitution, which is particularly evident in the financial sphere, and — what seems to me to be the weightiest consideration — at present it no longer has any goal. The summit meeting in Athens was unsuccessful not because it was impossible to resolve the agricultural and financial problems. It was unsuccessful because the ten Member States are not in agreement over the future of the Community, they do not have a common objective. Despite all the declarations

it was impossible to conceal the fact that at this stage the only vision for the future which the heads of State and government have is the object of preventing the break-up of the Community. If it is not possible to overcome this state of affairs, the Community will slowly but surely become a terminal case, and where there is no more hope there is no longer any future for the Community.

For me, the draft constitution which we have before us is an expression of the hope of a common future for Europe. My aim — and that of the majority in this Parliament — is the European Union as a democratic commonwealth without national frontiers, which guarantees for its citizens increasingly comparable living conditions, peace, freedom and security.

(Applause)

The draft constitution lays down criteria for this. Some of them are very concrete, in the case of the section on economic policy, where the responsibilities for sectoral policies are laid down, somewhat too detailed for my taste; the formulation of other criteria is very vague; others deliberately keep things as they are.

I should like to make three points on which the draft constitution seems to me to be inadequate. First, it is unfortunate that the committee did not succeed in drawing up a list of fundamental and human rights for the citizens of the union. Precisely when the Community is given more powers, as a union, than hitherto, and therefore a greater capacity for affecting its citizens, it becomes all the more necessary to increase the legal guarantees for those citizens as well. The European Parliament itself has repeatedly stressed this — most recently in the Scelba report.

Secondly, it is unfortunate that the committee has now set down in the draft constitution the Member States' right of veto in the Council of Ministers, even if only in the form of a delaying veto after recognition of the grounds by the Commission and only for a transitional period of ten years. To me this gives too much consideration to the naturally conflicting interests of the Member States.

Thirdly, it is unfortunate that the committee did no more than nod in the direction of security policy.

(Applause from the centre)

For me, the basis of any European security policy, which is after all what we all want, is that the union as such also provides for its members constitutional guarantees of security in Europe and does not just talk about them or refer to the mutual support obligations which exist between some Member States under other treaties.

(Applause from the centre)

I think we should have gone further here.

Pfennig

So that there are no misunderstandings: I have only mentioned these points because I believe we could have gone further on these three points in order to **give a little more vision of the future**. Nevertheless, I consider the draft to be so successful that it is possible to vote for it, because for the first time a, relatively successful, attempt has been made to formulate clearly the respective competences of the Community and the Member States, to regulate the division of functions between the Community and the Member States and, not least, as a result of this to describe clearly and succinctly the financial obligations between Community and Member States. It stresses therefore what we in Parliament have always demanded; there must be obligations, and the financial resources needed to meet those obligations must be available. In this respect, the draft constitution is relatively successful; for that reason I shall vote for it, and I urge all my colleagues to do the same.

(Applause from the centre)

Mr Prag (ED), rapporteur. — Mr President, here you see a curiously divided Member of this Parliament. As rapporteur, I stand here as a firm believer and a participant in the work of the Committee on Institutional Affairs and an old European. At the same time, I have also been the spokesman for my group in the Committee on Institutional Affairs, where no-one has any doubts on the need for greater European unity, although there are some who doubted from the start whether at this moment a new treaty was the best way for Parliament to set about achieving that greater unity.

I shall do my best to present both viewpoints, though I know I shall not succeed, because I shall not be able to conceal my own personal views. But I first want to say a word as rapporteur for international affairs in the Committee on Institutional Affairs.

The section of the treaty based on my report makes two major changes. First it ends the artificial and absurd distinction between external economic policy, which comes within the Community framework, and European political cooperation, which, though it uses the same instruments, is outside the Community framework. There is no sense at all in this curious relic of national *machismo*. It can only make the Union's external policies more effective if it is removed. As set out in Article 67 of the draft treaty, the European Council and the Council of the Union could then officially, as well as in practice, and without special prior arrangements, use the services of the Commission and those of the Member States in whatever combination they wished.

Secondly, at the end of a ten-year transitional period, all national development policies, including aid as well as trade, would have to fit into a Community development policy. This, it seems to me, is also a modest and reasonable aim.

the section on international relations confirms the right of the European Council to extend the role of the Union beyond the political and economic aspects of security to the very teeth of defence itself, if the European Council should so wish. It could extend the role of the Union to include defence policy, to arms procurement and sales and, of course, to the major aim of every group in this House, disarmament.

Mr President, these are significant steps which will take us beyond the present stage into the world where the European Community or European Union would begin to be able to shape policy positively and purposefully instead of merely reacting, often late and often ineffectually, to the policies, notions and actions of others. But they are also modest steps; and they are modest steps because they are the natural next steps to be taken. I hope this House will approve them.

Now, Mr President, I turn to my more difficult role as speaker on behalf of my group. We shall vote freely without group constraint, each according to his own conscience. The essential difference within the group — and it is a fair and legitimate difference to anyone who knows the history both of the United Kingdom and of Denmark — is between those who believe that written treaties are necessary in a voluntary union or community of peoples and those who believe in organic development, the evolutionary process, gradualism and pragmatism.

I have always believed firmly in the Community method of setting clear objectives and timetables for their achievements. Without them it is quite certain there would be no European Community today, no common market, no customs union, no great single market of 270 million people. There would be no external economic policy, no European Monetary System, and, indeed, there would be no common agricultural policy, which, despite its many defects, remains a monumental achievement essential to the future of the Community. But we, the free peoples of Europe, do not have 400 years in which to evolve slowly towards union. We have seen the influence of Europe diminish over decades. From being the hub of the universe, we are now, as it were, on its periphery. The main decisions are taken by the two superpowers. That is why I believe we need a treaty which will constrain us to move forward, which will make us move forward at the speed which is necessary.

There are also more mundane reasons for adopting the method of a new treaty which, I emphasize, leaves the whole of the *acquis communautaire* and the existing treaties intact insofar as they are not specifically modified by the new treaty. One of those more mundane reasons is that we need to codify and to simplify the sometimes contradictory provisions of the existing treaties, regulations and protocols and, above all, the practices which have grown up. The Member States would then perhaps, be able to agree on what is legal and what is not legal, because there are evident disagreements at present.

Prag

Moreover, I would in particular remind the colleagues of my group that evolution, which some of them believe will bring us to union, is not an automatic process. It is the result of some pressing forward while others hold back. How could this European Parliament — the first international elected Parliament in the history of the world — do other than be in the vanguard, seeking solutions to problems which are evident to us all and providing the stimulus and initiative which are required?

(Applause)

One thing is evident: this Community needs to work more effectively and more democratically. Wherever we turn, not only in the field of international relations but everywhere, we see areas where the Community has the economic means to do better: the internal market, research and development, the development of high technology, in which we are being so rapidly outstripped by the United States and Japan — these are the things which the Community should be doing and is failing to do. Athens was merely the most obvious outward sign of the inner contradictions of the Community, of the inadequacy of the Community's decision-taking procedures.

There are those who spend a great deal of their time drawing the attention of our citizens in the Community to those defects. Many of them, at the same time as they do so, refuse to consider any proposals for reform. The burden of proof must be on those who believe that there is no need for institutional reform. There is plenty of evidence to suggest that the institutional arrangements set out in the Treaty of Rome nearly 30 years ago are no longer adequate. It would be irresponsible of this Parliament to criticize those arrangements, which we do continually, without putting forward any constructive alternative.

I believe that a vote in favour of this draft treaty would not mean for any Member of this Parliament that we are all in agreement with every single word and comma that it contains. What it would do is hand down to the next directly elected Parliament a moderate and reasonable document which is coherent and which provides a possible solution to those problems which we all know are evident. That is why I believe — and I speak here entirely personally — that a vote in favour of this draft treaty is a vote in favour of a more effective European Union, and that is something which is so patently necessary every time we look at the dangers of the world around us.

(Applause)

IN THE CHAIR: MR VANDEWIELE

Vice-President

Mr Seeler (S), *rapporteur*. — (DE) Mr President, ladies and gentlemen. The people of Europe are prob-

ably very dubious about the question of whether at the moment there are more important matters than a treaty establishing the European Union, whether it is not more urgent for a solution to be found to the agricultural and financial problems or for a joint European policy to be evolved on security and defence. But it is precisely on these points that a basic understanding has been lacking so far. If the Athens Summit, which Mr Pfennig so rightly mentioned, failed, it did nevertheless make it quite clear that the decision-taking structures of this Community have to be reformed if the Community is to survive. Viewed in this way the current problems and difficulties categorically demand that Parliament shake off for once the plethora of everyday problems and evolve a clear pattern for the further development of the Community.

(Applause)

I think that the present draft treaty fulfils this requirement. It does not get lost in political dreams and delusions, it gives a clear answer to the increasingly pressing question of where the European Community is going. Economically — as we all know — the European Community has become an important factor in the world. The economies of the Member States are closely bound up with each other, but the political strength which could follow from this economic power is, so far, underdeveloped. This is why we need a political umbrella for the European Economic Community more urgently than ever. The strained relationship between Western Europe and the United States shows just how necessary this is for our self-determination.

Now and in the long term — and I stress this quite clearly — the North Atlantic community is the only guarantee of our freedom and security and of our ability to shape our own future. But this same Atlantic community has still not got over the post-war period which was and is characterized by a greater or lesser dependence of the European States on the USA. This dependence must be changed into a partnership. We must become more self-confident. We cannot achieve this by withdrawing into national isolationism but only by strengthening Europe — the European Community. In this way we are also strengthening our security, in this way we are ensuring that European policy is decided in Europe. Last but not least, we are also strengthening the North Atlantic community to the benefit of both partners on both sides of the Atlantic Ocean.

This draft treaty also provides for the necessary measures to improve the European Community's ability to act. The Athens Summit failed not through any lack of goodwill on the part of the Heads of State or Government, but simply because the Heads of State or Government were overstretched by having to

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present national and Community interests simultaneously. It is this contradiction, this dichotomy, which is the decisive factor in the Council's inability to take decisions. We cannot expect the ministers suddenly to relinquish their national identities and their national ties and suddenly assume an international, Community identity. This dichotomy has become apparent in the present decision-taking structure of the European Community.

The European Community — this is another point which has to be stressed in this discussion — cannot be compared to an international commonwealth or an international confederation of states in which the community interest is the sum of the individual interests. It was the wish of the founders of the European Community — and of those who want to advance its cause today — that the Community should have its *own* sovereign rights. If the Community is to work, these rights, the sovereign rights of the Community, must be protected independently and free of national interests. The underlying reason for the present crisis in the Community is that this problem has proved to be insoluble within the existing decision-taking structures.

In addition the draft treaty contains concrete proposals for a necessary and sensible distinction between the competence of the Community on the one hand and the competence of the Member States on the other. Here we chose the principle of subsidiarity. In other words it is the principle of as much common action as necessary, but as much individuality for the Member States as possible. This principle, that common action is taken and that, if it is better for the nations of the Community, the Union is then competent to act on the matter, is I think an important political principle for European cooperation, and I also consider it to be the only realistic and realizable principle for Europe.

This brings me to my last point in this discussion, namely the question of the value to be placed on national sovereignty within the European Community. For many Member States — this can be explained by the long national histories of the nations — national sovereignty is sacrosanct. These States find it difficult to adjust to a Community which is more than an international union of States and which has itself begun to be a union with State-like qualities. For many Member States — especially for the ones which joined later — it was primarily the economic advantages of membership and less the political quality of the Community which they considered on accession. It was not without reason that the States which came together in the beginning are the ones whose history is characterized to a large extent by the idea of union. For the original Six the idea of a political union is therefore more easily realizable than for the four Member States which joined later. But anyone who

wants to preserve national sovereignty and therefore individual self-determination must want European union. Only under a political umbrella of this kind, the umbrella of political union, do the people of Europe have any chance of determining their future for themselves in this world of superpowers. Our security, our freedom, our self-determination can no longer be guaranteed by national isolationism. In territorial terms as well the individual States of the European Community are too small for modern developments in economics and communications. For this reason also we must grow together if we are to survive in the face of the USA, Japan and the rapid expansion of South-East Asia. Only in this way can we secure the future welfare and prosperity of our peoples. For this reason I appeal to all those amongst you who want such a future and who are conscious of the well-being of the people of Europe: vote for this treaty establishing the European Union. We owe it to our peoples.

(Applause)

Mr Zecchino (PPE), *rapporteur*. — (IT) Mr President, ladies and gentlemen, I hope that this occasion, when we are called upon to approve the preliminary draft treaty, the essential lines of which we have already discussed and approved last September, may constitute a valuable, solemn occasion for reflecting on the state of the Community and endeavouring to co-involve the political forces in Europe, the national institutions, and public opinion.

In the whole history of our planet, our Community is an exceptional case: never has there been set up an association of States with so vast a field of action — except on federal lines; never before has an association of States lasted so long, with such vitality, as our Community, before having to choose between its transformation into a federation, on the one hand, or its dissolution on the other.

Let us not delude ourselves that we can go on forever being an exception in the history of international relations!

The formula of compromise, which underlies the structure of the Community, has made quite a few achievements possible. It must be said, for all to hear, that — empty claims aside — the Communities have provided benefits and advantages for all, even for those who, today, are loudest in their criticisms.

But for some time now everything has become difficult, because the number and nature of the problems has become such that they can no longer be tackled without an overall strategy and an adequate institutional machinery. The argument in favour of the laborious sectoral agreements between governments no longer holds water: the problems involved are increasingly interconnected, the number of States has almost doubled, and the general economic crisis has height-

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ened mistrust and caused everyone to defend their immediate interests. The proper answer to the pressing problems that face us should, instead, be prompt, and always part of a general political plan, which can neither belong to a technocratic body, however qualified it may be, nor to the body of representatives of the individual governments, which are traditionally the guardians of particularistic interests.

It is time to acknowledge that the Community as originally conceived has exhausted its potential, and that it is now unable to find from within itself new impetus to development. It is above all time to realize that, in this political and institutional context, it is no longer possible even to go on running things on the basis of the results so far achieved.

Athens — as has been said over and over again this morning — showed the world the image of a Europe that is consuming itself in trivial wrangling and conflict, and that is never able to keep abreast of the challenge of the times, yet, paradoxically and pathetically, has the pretension still to consider itself to some extent the centre of the world. It is no use replying to the scathing remarks made recently by the American Under-Secretary of State, Eagleburger — which received such wide publicity in the press both this side and on the other side of the Atlantic — with references to the pride of the Europeans, as two of our eminent Heads of Government have done. We must be able instead to reply with a single political plan, a common long-term strategy, a common will. We must, in short, show credibility in our dealings.

The central point, therefore, as we take stock, should be to check the reasons for our all being together, and the value of this association. It is no mere rhetoric, as we do this, to emphasize first and foremost the fact of European identity, the awareness, that is, that there exists a single, common European civilization, even though it is expressed in different forms. The impassioned, evocative words of our sadly lamented doyenne, Louise Weiss, still echo in this Chamber.

But it is above all the reasons imposed by the technological era that carry the greatest weight. There is still a tendency in some quarters to see the role of individual States and the nature of their relations from an old-fashioned viewpoint, a conventional concept of international politics that has been left behind by the realities of life today. The level of power and degree of independence of each State today in international affairs is commensurate with the level of scientific and technological development of that State.

If we succeed in being competitive in the new key sectors we shall be treated with dignity, and as equals.

We shall be able to tackle the scourge of unemployment, and the crisis in the traditional sectors.

This can all happen if we succeed in pooling our efforts and directing them at precise strategic objec-

tives that will be politically decisive. But, on this very point, we must not close our eyes to the mistrust and reservations that exist, and that threaten us with paralysis. I refer to the conflicting attitudes of those, on the one hand, who fear a *dirigiste* Europe and those, on the other, who fear a system of unbridled freedom: attitudes which would be of more academic than practical interest if they did not have a certain insidious negative influence on the prospects for unification.

It seems to me that many of the doubts and reservations explicitly expressed by the representatives of both sides of industry (employers and trade unions) — whose views were heard by the Committee on Institutional Affairs — have their origin in these considerations. It is undoubtedly a very important problem, and one moreover that we feel has been over-emphasized, because there is not, and there cannot be in concrete practice, such a clear divergence between the two systems, in the sense that the freedom of the market — which must certainly be recognized — must of necessity be practised within the framework of politically determined objectives as, with prophetic perception the Christian Democrat inspired parties have long pointed out.

Finally, there is a third set of reasons impelling us to integration, which are connected with, but in a certain sense subordinate to, Europe's capacity to become economically competitive — the awareness of the role that Europe, the ideal crossroads for North-South and East-West relations, can play for a just peace in the world.

These three sets of reasons must be at the base of our response, which is our European Parliament's proposal for Europe. And this response is the preliminary draft treaty, which is a balanced, realistic proposal that certainly does not downgrade individual States, nor diminish their sovereignty, except by so much as is necessary to enable each of them to satisfy better the needs and requirements of Europe's citizens.

The draft institutionalizes the presence of the European Council, making it a moderating body, and giving it the fundamental duty of nominating the Head of the Executive; it has formally recognized the call to safeguard the vital interests of the individual States; and finally, it has retained the weighted vote in the Council, all of which are signs of a degree of realism, a sense of caution, that are even perhaps excessive compared with the more radical pressures towards federalism that are coming from Europe and that have unanimous support from that great party of the people, the European Christian Democratic Party. If we are not to fall short of the expectations that were created five years ago with the elections by direct suffrage, it will not be sufficient simply to approve the draft treaty: we must show we can make our nations aware of how necessary it is. And this is a commitment that it is our responsibility, first and foremost, to make, since we are on the one hand anchored to our individual nations yet, because of the specific function

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that we fulfil, we are reaching out towards the dimension of a unified Europe. Only by discharging this duty can we give a response that will not disappoint the expectations of enlightened public opinion, and will give a true meaning to our institution.

(Applause from the centre)

Mr Glinne (S). — *(FR)* Mr President, honourable colleagues, the fragility of the European Community has never been more apparent than now, midway through this interlude between the absurdity of the European Council in Athens and the great hopes invested, in spite of everything, in the next Council at the end of March.

The overriding aim must be to save the Community and to establish the foundations for a lasting revival. Recent events in Moscow, Beirut and southern Africa have once again highlighted Europe's absence at crucial moments. The arms race, the steady rise in unemployment, the technological and data-processing revolutions will not wait for Europe to make up its mind on farm prices, own resources or the creation of a new secretariat for political cooperation. The times we live in are too dangerous to allow this impasse to continue.

The first merit of today's debate is to show what is at stake. The report of the Committee on Institutional Affairs, the draft treaty itself, indicate that real progress is possible. For the new policies to be implemented and to work well, there must be a new institutional balance. The farcical failure to decide on the Esprit project is proof of that. Nothing could be less realistic than the way in which certain governments are dealing with that particular problem.

Mr President, in an earlier debate on this subject I said that, in the view of us Socialists, the Committee on Institutional Affairs should have been given a different name, such as the committee on Community reform. Our problems do concern the institutional arrangements, but not exclusively — I say, not exclusively. Moreover, I would point out that most of the members of the Socialist Group, whether they are federalists or opponents of the Community, signed the Crocodile Club resolution.

I took an interest in the project from the outset and I have worked hard to see that it enjoyed as wide support as possible. But we did not support the July 1981 amendment from the members of the EPP group, which altered the original resolution and gave the committee a specific task, to prepare the draft treaty.

I still believe that the majority of this House should have given this new committee a broader mandate and that the work on revising the treaties should have been closely linked to that on improving the application of the treaties.

The Socialist Group, let me say again, is not in the least interested in airy-fairy theoretical or purely

symbolic debates. If the draft treaty is a good project, that is because it is not too far removed from present reality or future possibilities. The definition of objectives, particularly in the economic and social sectors, is absolutely first rate and fills a large gap in the Treaty of Rome.

The other great merit of the proposal is that it springs from a consensus within the Committee on Institutional Affairs. I do not want to spend time on formalities, but it is clear that the chairman, Mr Ferri, and all the rapporteurs — all of them — have made a great effort to achieve a compromise. We must build on this consensus, which strengthens Parliament in its relations with the other institutions.

That is why I was very shocked to find that certain amendments had been tabled to Article 9, amendments which are designed to give an ideological bias to the draft. The ideal doses, whether larger or smaller, of market economies, public sector activity and *dirigisme* to be introduced into our economic system must depend, not on an inscription on a Tablet of Moses, but simply on relations proceeding naturally from the democratic processes of our States and the Community.

It would be wrong to mistake the subject of today's debate and to throw down an ideological gauntlet before the Left of this House. I therefore hope the majority here will not vote for these misplaced amendments to Article 9.

We must not play with the complex question of European Union. Either we march together or we don't and, if the present majority wants to identify the draft treaty with particular ideological and economic ideas, if it wants to insist on definite so-called multinational action for disarmament, obviously it has a right to, but I for my part together with, for example, my colleague Horst Seefeld, formerly chairman of a national council of the European Movement, as I still am, think it would be a mistake to act in this way.

The whole force of the preliminary draft treaty lies in its balance, its realism; it should be the project of the whole Parliament and not only of the present majority. As chairman of the only parliamentary group comprising members from all the countries of the Community, I cannot accept the possibility that the European Union should be something less important than the Community.

I understand very well the meaning of Article 82 and I see the danger of the treaty remaining permanently blocked, but I am sure that this article as it now stands will make it considerably more difficult to discuss the matter with certain national parliaments who could have discussed a draft without such an article. Governments and political parties cannot work or even discuss without their permanent and irreversible commitment under the existing Treaties. Article

Glinne

82 in its present form could remain in the text, but personally I should much prefer it to be modified so that it does not allow for the possible dissolution of the Europe of Ten, for that would be one of its consequences.

I have already said that the situation of the Community today is proof of the relevance of this project. Reforms cannot be delayed any longer, but I know that we are also on the eve of the elections which should strengthen our institution. It is hard to create and sustain a consensus in such circumstances. If today's debate succeeds in producing a large majority in favour of the proposal, the real work of promoting the Union must begin, after the elections. This work must be linked in a certain way to the work of the Political Affairs Committee.

The Socialist Group, through its members such as Mr Ferri, Mr Moreau, Mr Seeler, Mr Van Miert and Mr Hänsch in particular, has already made a substantial contribution to this Parliament's work on institutional problems and I am sure this work will continue after us.

The amendments to the text of the motion for a resolution accompanying the draft treaty have been tabled with this in mind. Parliament must not get itself into a corner with its treaty and unable to negotiate the improvements to the existing institutional practices. It must not submit its proposal to the national parliaments with a take it or leave it attitude.

This evening's vote must be the first step towards a wide debate and a dialogue which will create the same positive consensus in our countries, let us hope, that we have managed to create in this Parliament.

Any approach which might divide this House or which would lead us into a cul-de-sac would be disastrous. We must foster hope of progress, not play with the hopes and fears of our voters, who have to vote in June in such worrying and difficult circumstances.

(Applause)

Mr Piccoli (PPE). — *(IT)* Mr President, ladies and gentlemen, we are here to affirm that we approve the preliminary draft treaty establishing the European Union, because we want political and therefore institutional unity in Europe, and we believe in it. We and our friends, united in the European People's Party, were in the forefront of the building of Europe, and certainly no difficulties, no conflict of special interests, no other obstacles will deflect us from the determination to go ahead firmly and with decision.

The European Parliament was always the institution most aware of this need. In 1975 Bertrand saw European Union by 1980; in 1975 Scelba called for the strengthening of the rights of European citizens, so as to create a uniform fabric of European society that was essential for the consolidation of the Community. The late Gonella made the same point during his first

period of office of the European Parliament elected by direct universal suffrage; and the Genscher-Colombo proposals — which were blocked — again put forward, forcibly, the same proposals. These initiatives show the commitment of Christian Democrats to the unification of Europe. For this reason, we express our firm agreement with the draft of the new treaty.

Parliament, together with the Council, becomes a democratic organ capable of taking decisions and making effective regulations, with a genuine share in legislative power that will give the Commission a new status in its functions, that will re-establish overall equilibrium between the institutions, and that, finally, will allow the Community to regain the impetus and initial vigour that have been lost in years of doubt, checking, dithering, paralysis and fresh steps forward.

The draft was, and is, therefore, an initiative that from our point of view could not be postponed, and one that is decisive for the future of the peoples of Europe. That is particularly important after the hard, bitter battle of Athens, which followed, alas! the positive proposals contained in the Stuttgart Declaration. Under present conditions Europe is not capable — and we must recognize the fact — of expressing, with the necessary speed and with a clear strategical view, that political will which would give it a status in the world commensurate with its potential, its history, and its responsibilities.

It is time to close one era and open another. Europe must have institutions capable of representing it singly, and governing it politically. We cannot stand still: either we go ahead or the building of Europe will start to weaken and crumble. Allow me therefore to state, ladies and gentlemen, that, today, those who are afraid of asking too much, of provoking nationalistic reactions, or treading on toes that are set against the idea of supranationality, are not realists. The history of Europe calls for a show of courage, a readiness to make a break.

We shall take the initiative, as European Christian Democrats, and we shall urge national parliaments and governments — each according to its own responsibilities — to work for the ratification of the draft treaty, in the awareness that only the expressive institutions of the peoples of Europe can take those single-minded decisions that long drawn-out negotiations between the bureaucracies of individual nations never achieve. We are convinced that, in doing this, we shall have alongside us other parties with different views. With us, at all events, are the intellectuals and the young: the former, out of historical awareness that this is the only way in which we can progress; the latter, out of a natural feeling for the future, and out of hope.

We are working for political unity because we know we can contribute in this way to the equilibrium and peace of the world. We are aiming at political unity

Piccoli

because we consider it indispensable to have a common defence policy, a real market unit, a common currency, the development of European research and the strengthening of industry, in face of the challenge that threatens it: we are aiming at political unity so that a common policy shall be determined for science and technology, and so that there will finally be born that Community of European science which, if humanized, will be the basis for a new culture. We stand for political unity because we want mobility in every field; we call for juridical harmony in private law and public law alike, and we hope for the flowering of a new European culture for the twentieth century.

We are not utopians — indeed, our political experience is that of cautious men, aware of the needs of gradualism and compromise. Today we are taking a decision together on a step that is deeply innovatory and not entirely painless for some of us, because we realize that the forces of disruption, both within and outside Europe, can still be active, can still foster the seeds of divisiveness and attack our convergence and political solidarity, dashing at the same time the expectations of the New World, which bravely associated itself with us and which, in Latin America in particular, awaits our support in the fight for democracy and independence.

For all of these reasons we want a strong, safe Europe, not a faceless area that is weak in the face of its powerful neighbour, and incapable of making itself heard. A strong Europe is to the advantage of the West — to the advantage of that political, economic and cultural area, that is, of which we are part and in which we intend to remain, together with our allies beyond the Atlantic. A strong Europe is a decisive factor where peace is concerned. A safe peace, which we are pursuing unremittingly, convinced of the value of negotiation, of confrontation, of the duty to eliminate the areas of social conflict, of underdevelopment, of dispute over raw materials, energy, and the management of technology. All of this in the unswerving defence of civil rights. We do not wish to remain resigned spectators, or citizens of nations — glorious though they may be, from other points of view — that are content with a place on the fringe of an empire with a distant capital. From the economic standpoint, too, we want to defend our independence, and our ability to compete.

Mr President, ladies and gentlemen, the draft treaty does not lead to complete integration; it constitutes a realistic proposal that revives the unification process, and is one that can be valued and appraised by the citizens who, little more than a hundred days hence, will elect the new Parliament almost as a new European Constituent Assembly and who will be able, therefore, to understand the reasons for being 'Good Europeans'. We are rising again, and have nothing to

fear. The hopes and understandings expressed by the Heads of State or Government at The Hague, on 2 December 1969, and which were solemnly reaffirmed in Paris in 1972, are more alive than ever. True, 15 years have passed without those understandings having been completely implemented. But we have come a long way since then; and then, like now, it seemed impossible to many. We believe in the goodwill of the governments who were parties to those understandings, and in the objective, supreme need which motivated them.

Today we call on governments, parliaments, and parties to accept the Constituent Assembly for European Union, thus putting an end, with clear determination, to delay and suffocating uncertainty.

Such is our appeal, and our position; such is our deep awareness.

(Applause)

Mr R. Jackson (ED). — Mr President, I should emphasize that I shall not be speaking in the name of my group, which has decided to have a free vote on this proposal: I am speaking for myself only.

Mr President, having spent most of my life in this Parliament dealing with the problems of the budget — problems in which the conflicts of national interest within the Community are at their sharpest — it is a pleasure today to have an opportunity to speak about the wider perspectives which Mr Spinelli and his committee have opened up before us.

I would like to start by addressing a few words of congratulation to Mr Spinelli. He is the 'ancient mariner' of our debates — the mythical figure about whom Coleridge wrote his poem:

It is an ancient Mariner,
And he stoppeth one of three.
'By thy long grey beard and glittering eye,
Now wherefore stopp'st thou me?

Well, Mr President, it is an honour and a pleasure to be 'stopped' by Mr Spinelli today, to congratulate him on his efforts to hunt down the albatross of intergovernmentalism, and to express the hope that he will get a larger vote for his proposals today than the 'one in three' envisaged by the poet.

I speak in this debate not only as a Member of this Parliament but also as a member of my national parliament — one of those national parliaments to which the draft treaty we are discussing today is addressed. I must say that I look forward with some interest to the debates on these proposals in that other place. I do not think that they will be easy debates, but they will be salutary, and I hope that they will be positive. I have no doubt that it is the proper role — indeed, it is the duty as well as the right of this Parliament — to seek to establish a clearer and richer conception of Europe's future. I also have no doubt that it is the

Jackson

duty of the national parliaments to respond seriously and constructively to the challenge which we in this House will launch today.

(Applause)

What, in a nutshell, is that challenge? The challenge of this draft treaty lies in the questions it poses about our ambitions for Europe, and about the relationship between those ambitions and the institutions which are necessary to fulfil them.

No doubt all of us have certain reservations about the ambitions for Europe which are set out in this draft treaty. Some will, no doubt, regret the reference to European defence. I am not one of those. Others, like myself, will regret the references to socio-economic objectives which however admirable in themselves, are unlikely to be able to be delivered by the mere operation of the European institutions envisaged by the treaty. Nevertheless, let us not quarrel about our ambitions for Europe. Let us consider rather what the central issue is that is posed by this draft treaty; the implied contention that Europe is incapable of realizing any greater ambitions — indeed, it even seems incapable of realizing its present limited aspirations — unless it develops a legal and institutional framework which is better adapted to the fulfilment of those purposes.

We have all become, I believe, too much accustomed to the phrase 'political will'. 'If only', we say, 'our leaders had more, stronger, greater political will!' Well, I do not believe that the problem of Europe today lies in a lack of political will on the part of our leaders. I believe rather that our political leaders are trapped — trapped in an historical and institutional setting which systematically limits not only their vision but also the means of action which are available to them. The challenge of this draft treaty is that it seeks to expand those means, to expand that vision, and it is for that reason that I support it.

I would like to conclude with a few words about national interests, about which I believe Mr Spinelli's explanatory statement is excessively scornful. I would remind him of the wise words of the great ancestor of one of our colleagues in this House, Lord Douro. The first Duke of Wellington said once: 'Interest never lies'. What he meant was that interest is the strongest foundation, the most binding cement. I hope that Mr Spinelli and his colleagues, whose initiative I support, will reflect in their turn on this final thought of mine: that Europe cannot be constructed against the interests of its nations, but that we must build Europe precisely because it is in the interests of those nations that it should be built.

(Applause)

Mr Pajetta (COM). — (IT) Mr President, ladies and gentlemen, little over five years ago we faced the electors, submitting to them — and comparing between

ourselves — concrete proposals for the work of the Community. Europe and the world were beset by crisis, the repercussions of which were felt by the Community itself. It seemed, then, to us Italian Communists — but, in all fairness, we were not alone in this — that there was a more general problem in overcoming difficulties and moments of crisis within the Community, in making it an effective instrument for dealing with the crucial points in the European crisis; in taking steps to abolish delays and imbalances that were becoming intolerable; in establishing a new economic order, and protecting, particularly, the weaker groups and working classes; and in backing a movement for a policy of peace and *détente*, in times that were becoming ever darker, as they have increasingly continued to become.

The individual problems were then faced up to in a moment of decision and change, and we were aware of this. For the first time, all Europeans were to elect, together, by direct suffrage, their representatives, and on these benches there was to be formed — even though in some quarters its name was called into question — a European Parliament.

Allow me just to remind you — because they express the hopes and political will of that moment — of the words of our dear Giorgio Amendola, who said: 'Whether we want it or not, we are entering a constituent stage'. This expression then was the result of a long, enthusiastic experience in parliament; the result of the search for new ways of collaboration between the various countries that we, Italian Communists, had tried out on a broader scale, in order to defend the interests of the workers, to bring about a radical transformation of society, and to make what we called our 'new internationalism' the basis for relations between the countries of the old continent, at the same time rejecting, however, the taking up of any entrenched positions, any prejudicial confrontation with the countries of any other part of the world.

At that time — as is often the case during electoral campaigns — many words were spoken that already, as they were uttered, seemed no more than rhetoric. But as far as we were concerned — and we do not deny that for others, also, it was the same — many hopes were manifest, in the name of which Europeans were asked to vote for a Europe that should be something new and should make possible a new and better life in all of the countries concerned.

Now, five years later, we think that these 'hopes', as we described them, have alas! turned out to be flights of fancy. Many of our efforts have met with bitter resistance; governments and the Commission have refused their collaboration, even when there has been a unanimous vote, and even when this Parliament has given them a severe warning. I need only remind you, ladies and gentlemen, that at the beginning of the life of this Parliament the rejection of the budget was a proof

Pajetta

of goodwill and strength on the part of the political parties, some of whom held widely differing views in this Assembly. But this vote was then brought to nought by the bullying of those who answered that it was they, and they alone, who should decide!

Over these years, the parliamentary budget may have disappointed more than one of us. Above all it has appeared impossible to resolve narrow minded national opposition, or to escape from the straitjacket of a common agricultural policy which we have more than once criticized, to allow us greater space to draw up and implement policies such as those for energy and research, and for the great social questions, which are becoming ever more urgent and increasingly difficult to solve by any one nation on its own.

We should like to recall, so as to emphasize that our work of criticism has been accompanied by constructive collaboration and the aim of securing the widest consensus, our unanimous support of Mr Ferrero's report, regarding the problems of the fight against hunger, and the recent vote on the report of our comrade Cinciari Rodano and the members from all parties who worked together with her.

Of course, each unachieved result, each obstacle — often no more than an excuse — and the propagandist intentions behind more than one resolution have reminded us that, not only was the progress heralded in the constituent stage not achieved, but, at the same time, if progress was to be made, it was necessary for Parliament to take the question in hand once again. Perhaps Parliament should not, in its debates, in its calls for urgency, take the whole planet into its sphere; perhaps its radius of action should be more limited, so as to become more incisive, and so that its authority, and the bond between us, with the institution that we represent, are more incisive.

Parliament must speak and be heard, and must at least be understood by those who elect it; it must turn to the national parliaments and not allow itself to be ignored by governments. It must refuse to be dominated, as sometimes is the case, by the Commission which, after having sent along a Commissioner to pay us a few compliments, takes no account of our deliberations.

It is a good thing that we have a scandal sometimes. We must say that what happened at Athens was a very serious scandal, but it must have been of use in making us feel that we have to say 'Enough!' in order to create the conditions for change.

We cannot be satisfied with an optimistic approach, with going over the same old debate again, with ignoring the same old lack of results — all done in a way that it is hoped will seem more decent. That is why we cannot accept this situation and, at the same time, we do not want to give up the fight. That is why

we are fighting today for this resolution, which we will support.

Today we reach a first conclusion on a subject that has long held the attention of members of this parliament, who have rallied round Mr Spinelli to look for possible institutional changes and to draw up principles as a basis for doing more, and doing it better.

The results that have been reached have not met with unexpected unanimous approval. But this is not at all a bad thing! It means that we are working on a firm basis, without having expected to achieve the miracle of solving every problem. We consider this result to be important. It enables us — if the resolution is approved by the majority of parliament — to present ourselves to the electors not with a repetition of what has appeared to be illusory, but in the hope that whatever has been achieved that is of use can really be implemented, and whatever has been done can be consolidated. We are faced with problems that are not only urgent but are dramatically so. We must be able to tackle them in a positive manner.

We should like to thank Mr Spinelli once again for his intelligent report and great enthusiasm, on this day that is an echo of the past — his past as a democrat and anti-Fascist.

We Italian Communists who were with him in this group will therefore vote with conviction in favour of the resolution on European Union. We know that the road will still be long, and certainly it will be difficult. For this very reason a firm commitment will be necessary on the part of all political parties who want to reopen the prospect of a truly united Europe, and to revive the indispensable function that such a Europe must have — as a factor of peace and progress.

In these years past we have done our part: we shall continue to do it with energy and commitment!

(Applause from the left)

Mr Nord (L). — *(NL)* It is, perhaps, a unique event for a draft treaty among nation-states to be drawn up by and on the initiative of a parliamentary body. But it is commensurate with the nature of our Community, which is itself unique, and it is also commensurate with the role of our Parliament that it should assume this responsibility at a time when the process of European unification is at a standstill and the spectre of disintegration and collapse is again looming on the horizon.

In this Parliament, we have had several debates on this initiative of ours and also on the form it should take. There is therefore no need to reiterate what has been said on behalf of my group in the past. But now that we have reached the final stage of the parliamentary deliberations, it would be a good thing to explain our position on the draft treaty now before us.

Nord

My group, Mr President, will be voting for the draft treaty. Of course, we should have preferred to see certain parts of it worded differently, and we have tabled amendments, which we hope will find wide support. But taking it as a whole, we are satisfied with the text, and we therefore pay tribute to Mr Spinelli, his co-rapporteurs and the lawyers who have helped us.

When we look at the text, we are struck by the fact that it is not, as some people claim, a visionary document devoid of any sense of reality that will turn Europe into a paradise at a stroke. The picture that emerges is one of a Community, as we have long known it, at last equipped with the instruments it needs to perform its task and geared to a future in which it will increasingly be able to make Europe's views known in the world. I do not need to say how urgent this is, Mr President. Our own Heads of Government do so regularly and devoted some fine words to the subject in Stuttgart recently. But what is important is that these sonorous phrases should be translated into political reality with deeds.

We are aware of the feverish activities that have been going on since the failure of Athens, with the aim of reaching agreement on the many difficulties that brought matters to a standstill there. We are all familiar with the gloomy list of unsolved problems: an increase in the Community's own resources, new policies, bringing agricultural costs under control, the United Kingdom's contribution to the budget, the accession of Spain and Portugal. I feel, Mr President, that there might be a better chance of finding acceptable solutions, if we also thought of the future and provided the Community with the impulses that will enable it to play its historic role again. A vision of the future is often a condition for overcoming the past. The evolution of our Community is itself a vivid example of this.

We also feel that this debate is closely linked to the second great initiative Parliament has taken, the Albert and Ball report, which we shall be discussing in March. Parliament will then indicate what contribution the Community can and must make to get Europe out of the present blind alley of stagnation and mass unemployment. We must now state our views on the instruments which the Community needs if it is actually to make this contribution.

For all these reasons, we shall be voting for the draft treaty. We consider this pronouncement so important that we are asking for a separate vote by roll-call on paragraph 1 of the motion for a resolution, which calls for the approval of the treaty.

We are less happy, Mr President, with the other paragraphs of the resolution, and we have therefore tabled a number of amendments to them. I should like to make it absolutely clear that what we want is to ensure the success of the operation and not, as has been sug-

gested, to create a diversion or even to go in for self-mutilation. On the contrary, we feel that a text forwarded to the national authorities with a take-it-or-leave-it attitude will meet with unnecessary additional opposition. We also feel that this resolution should say that Parliament must retain responsibility for its own text and must therefore itself make any amendments that might be necessary. We therefore hope that our proposal will be supported by Parliament.

Everywhere we hear, Mr President, that there is no political will to continue the process of unification in Europe. I do not really believe this is so. There is political will, but what is really lacking is political courage. It is for us to inspire such courage, and we should begin in this Parliament.

IN THE CHAIR: MR JÄQUET

Vice-President

Mr de la Malène (DEP). — (FR) Mr President, honourable colleagues, here we are again in a debate which bears a strange resemblance to the debate we had a few weeks or a few months ago on the same subject. So no one I imagine will be surprised if we adopt the same position as we took some time ago.

I should first like to say again that we are now, as much as before, in favour of the European Union. I may remind you, indeed, that it was President Georges Pompidou who was one of the fathers of European Union. We supported him, he was one of us and we are still loyal to this idea of European Union. But of course one has to give substance to this Union, and we are resolutely in favour of doing so.

We are all the more in favour of this move towards a politically united Europe because we can see that this Europe of ours is getting more and more bogged down, that it must recover fresh energy and enthusiasm to win popular support and that it is not by organizing the market in herrings that we shall succeed in creating agreement among the peoples of Europe. So we need to move in the direction of a political Europe to recover popular support, we need to move in the direction of a political Europe to make the voice of Europe heard, we need to move in the direction of a political Europe to achieve greater security for the people of Europe. And we also need this new Europe to foster progress in the economic Europe that exists already. So we want progress towards political unification.

We have more reservations, however, about the role of the institutions.

We are not convinced that it is firstly and principally through institutional changes that progress can be achieved. We would certainly not deny that there is scope for improvements in the institutions which we have, the decision-making machinery in particular,

de la Malène

but we know full well that it is not the institutional procedures, whatever they are, nor the institutions, whatever they may be, which will be able to make up for an absence of genuine political will. We must not go for the wrong thing. It is not through the institutions that we shall recover the fresh inspiration and political will that are needed for progress.

That said, I should like to dwell for a few minutes, as I did last time, on this preliminary draft treaty.

I do not want to be too critical, but I would observe that it seems to us unsuitable and unrealistic in its aims. We think that the arrangements proposed, apart from the institutional structure itself, are not such as to enhance efficiency or legitimacy. This proposal, unsuitable, unrealistic as it seems to us, also seems ill-timed. Ill-timed because we know what current attitudes to Europe are in relation to the existing difficulties. To present this proposal in its present form does not seem to us particularly well timed.

It also seems to us unsatisfactory from the point of view of procedure. Here we have a text which has been drawn up by one of our committees, a text which ultimately amounts to 'take it or leave it'. Have the competent governments adopted a position on the matter? No. Has our Parliament a legal constituent power? No. So we consider the procedure adopted unsatisfactory.

For all these reasons, bad timing, lack of realism, procedural insufficiency, we are very seriously afraid — and that is why we think it may actually be dangerous — that it could lead to another failure.

We already have a number of projects in the Community — as our rapporteur has reminded us — which have all been put together in good faith, to promote European political integration. We had the latest just recently: the Genscher-Colombo Plan. This proposal had the backing of two major competent and legitimate governments in Europe. Now, what has become of it? Very little, if anything. We are afraid therefore that the Spinelli proposal may well land us, by our decision today, in yet another failure. We are afraid that it could prove a failure for our Parliament and we are afraid that it could be a failure for Europe. For all these reasons we think this project is not particularly helpful.

We have not come to this conclusion lightly. It affords us no pleasure to play the part of Cassandra over Europe. It is a joyless role, an exhausting and often misunderstood role. Many of you may be giving your support to this text. You may be doing so from a desire for unanimity, a desire to applaud good intentions, out of loyalty to longstanding ideologies. But we shall not be able to join you.

For us Europe is a serious matter, perhaps one of the most serious confronting us; it is the issue of our time. We believe we shall not recover growth in our countries, unemployment will not be reduced, unless

we really do build Europe. We believe that the security of the people of Europe will not be guaranteed unless we really do build Europe. That shows the overriding importance which we, as concerned politicians, attach to European integration.

The crisis affecting our European institutions distresses us greatly. We will support any governments, whichever they may be, which can suggest ways of recovering our growths and guaranteeing our security. But because we see things in this way, because we recognize this priority, we cannot, out of a desire for unanimity or to applaud good intentions, associate ourselves with something which appears to us not merely to have no future, but also to steer Europe into a kind of drive-way without an exit, to lead our Parliament and Europe towards another failure. We do not wish to mislead our voters and for this reason we shall adopt the same position on this occasion as we did last time.

Mr Pannella (CDI). — (FR) Mr President, the preliminary draft treaty presented to us is certainly not federalist and, as far as I am concerned, I am a federalist, as is Altiero Spinelli, and like Altiero Spinelli and with him I believe that we must today try to support European endeavours, even if they are not federalist. This is why I think this text — which is a compromise text, very honourable compromise, a text rigorous in presenting a compromise — represents perhaps the only chance for our Parliament to say that it has done something for Europe, instead of allowing the institutions and the European ideal to fade away at the end of these five years.

I think that the resolution is even more important than the draft treaty. A clear procedure is, I believe, the least we must aim for. A Parliament that has not even managed, together with the other European institutions, to give itself a real common electoral law, which has voted on hundreds of useless or non-productive resolutions, owes it to itself, if it is not to sink without trace into the world of the past, to embark on the path opened up by the Committee on Institutional Affairs and by the example and work of Spinelli and his colleagues who agreed to work with him.

Political realism is the thing, we are told. I do not know if Mr Pons will be adopting the same tone in four or five months, I do not know if Mrs Veil will be representing a list which affects Mr de la Malène as well as other colleagues, but that tone certainly does not speak of the future; it is the dying echo of a past which refuses to die; it reflects an inability to comprehend that political realism consists in imagining realities and not in exploiting them sadly and allowing them to putrefy.

We quite simply feel convinced that, for cultural and economic autonomy to survive and the autonomy of common laws — for those are important, too — it must fit into the great developments of history itself.

Pannella

Europe is necessary if our history, our national traditions and autonomy are to be effective. As long as we continue to entrust to national governments the task of fostering the traditions of each nation, we shall get Athens.

Therefore, Mr President, since my speaking-time is up, I shall just say that I hope the resolution will be adopted as it stands. It is only then that this draft treaty will be of some value. Otherwise we shall once again have been building on sand.

Mr Romualdi (NI). — *(IT)* Mr President, ladies and gentlemen, the Stuttgart declaration on the Genscher-Colombo proposals — even though it was devoid of any real institutional and political content — and subsequently, in September, our Parliament's approval of the preliminary draft treaty establishing the European Union which we are again discussing today show at least two things if nothing else: the need, of which we are all aware, to escape from certain over-oppressive constraints of the Treaties of Rome, on the one hand, and, on the other, the material difficulty of achieving any rapid progress.

Apart from the institutional and political snags and difficulties of form that the document that we are about to adopt will inevitably encounter in the way of its presentation to and quick approval by the national parliaments — with amendments, if it is treated just like any other document, or without amendments, if it is considered, as it more rightly should be, as a treaty — the fact still remains that no one can conceal the shortcomings of this document, and the weakness of the Union which this draft, from one modification to the next, now portrays: the Union which, amongst other things, is totally without security and defence, at a time when being the earthenware pot amongst pots of iron is a very dangerous thing to be. A Union again inevitably dominated by the authority of a Council which is none the better for being no longer the Council of Ministers but, instead, the Council of the Union. And there is worse, if we consider the retention of the European Council which, despite its habitual chronic failures, has been left to pontificate — it is hard to see why. And again, the existence of a Commission whose President is chosen by the Council, and not by Parliament, from which ratification only is required, means that that Commission will be made subordinate, just as it was before and perhaps worse. Is the Commission the government of the Community? If it is — albeit in a different way from what is the case with the parliaments of Member States — it must be responsible directly to the Parliament of the Union.

But, despite all this, we of the Italian political Right will do as we did in the preliminary round last September: we will vote for this treaty, and we undertake — as I stated last week to the Italian Senate — to discuss it quickly and constructively in Parliament.

It is a draft that gives a new dignity to the initiative of our Parliament, and one that must meet with the support of all true believers in the European ideal — of all those, that is, who are convinced that the way to get Europe out of its crisis is the path of unity: to reach that unity, however, whilst the problem is certainly also one of institutional reform, it is above all one of political will, of values, of faith in our destiny as Europeans. Because, ladies and gentlemen, whilst it is true that good institutions are fundamental to the construction of a good society and to its proper government, it is even truer that good institutions can only be made by political will, values and faith.

Mr Thorn, President of the Commission. — *(FR)* Mr President, this is not the first time that the Commission has expressed its views on this ambitious project, the preparation by the representatives of the European nations of a treaty designed to make the Member States move resolutely ahead with European integration.

The Commission has followed your project step by step, since its inception. In April 1982 I had the privilege of presenting to your newly created Committee on Institutional Affairs our ideas about the way in which we should like to see European integration proceed.

And on a number of occasions since then my colleague, Mr Andriessen, and myself have had the opportunity to acquaint you with the Commission's views and assure you of its support. That was the case in particular and I think exhaustively during your September part-session last year, when you adopted the now famous resolution which established the content of the future draft treaty.

So we have been with you right from the start and all along the way. And I wish to congratulate Mr Spinelli again and all those who with him and on the committee have sponsored this proposal.

Of course, Mr President, our support for your political initiative, the fact that we share your ideas, does not automatically mean that every one of the provisions in your preliminary draft treaty has our full and unconditional approval.

Last September in this Chamber my colleague, Mr Andriessen, and I did not hesitate to indicate to you with the frankness we owe Parliament the few points on which the Commission's thinking differed from yours. And, speaking personally, I share some of the regrets expressed today, in particular by Mr Pfennig.

In the process that has transformed the resolution of September into the preliminary draft of today the committee has sometimes taken account of the Commission's comments and on these points we naturally have no grounds for complaint.

Thorn

In other respects, however, the reservations expressed by the Commission in September remain valid today. This is true in particular — and I shall cite this single example — with regard to the provisions which leave open the possibility — albeit a limited one — for a Member State to invoke a vital interest in order to oppose a decision.

It is not my intention now to go into all the considerations that I expounded at some length to you on this point in September, but I must repeat emphatically that any endorsement, even limited endorsement, of the possibility of invoking a vital interest to block a decision is in my view an unjustifiable concession to a pernicious practice which Parliament and Commission alike have always condemned hitherto.

(Applause)

All the same, Mr President, your treaty is undoubtedly a good treaty, a good draft treaty.

The Commission is gratified to recognize in this text the key lines and basic structures found in its 1975 report on European Union.

And it is with some satisfaction that I note a fundamental agreement with my personal views.

You have been right, I think, to refuse to confine yourselves any longer to the approach that has so often been called the 'small steps' approach, which consists in extending and improving Parliament's role while remaining strictly within the institutional framework laid down by the Treaties. It certainly produced results. But it now seems to have exhausted its potential. Though the Commission has always been prepared to support any improvement in the relations between the institutions compatible with the Treaties, the Council no longer seems willing or capable of going any further as long as there are no really binding legal provisions.

So you have also been right not to look to the States any more to set up a detailed constitution of the European Union but to take the initiative and define it yourselves in a draft treaty in correct legal form.

By so doing you have shown that the debate between representatives of the people and than transnational forces can be more fruitful than negotiation between government representatives. I think that was essential.

You have been right, too, in your timing, because after some three years of work your proposal is complete just when the failure in Athens is making us more aware than ever of the need, the imperative need, for new ambition for Europe.

I must admit that you have, sad to say, prophesied correctly.

Lastly, you have been right not to behave unrealistically and try to do away with the Community patrimony.

It is perfectly realistic, I think, today to conceive of your Parliament sharing the legislative power with the Council. A quarter of a century has already elapsed

since the start of European integration and, what is more, Parliament now has full democratic legitimacy. And you have managed to achieve this democratization of the legislative process without impairing its effectiveness.

It also seems to me perfectly realistic to integrate political cooperation into the institutional system of the Union. Similarly, it is right and proper to confer on the Union only those competences that it can exercise more effectively than the States and to increase the exercise of these competences gradually so as to achieve a smooth transition.

You have respected the Community patrimony and even enhanced it — I recognize and emphasize this — as far as the Commission's role is concerned. By giving the Commission a key role in initiating legislation and conferring on it responsibility for administering common actions, you have endorsed the political nature and irreplaceable character of that institution, by which much of the work of integration was originated.

I will make no bones about it — those who, at the start of this new electoral campaign, imagine they can both revive the process of European integration and at the same time reduce the Commission to a technical and administrative role have not learnt the lessons of contemporary history and 25 years of Community experience, since they seek in fact to transform the Commission into an intergovernmental type of institution. To deny the political role conferred on the Commission by the Treaties is to deny the very nature of the Community.

Mr President, if you succeed today in bringing off this difficult undertaking, you will have won a wager that some had deemed impossible and which many more consider foolhardy.

Yet, as so often happens in the history of mankind, you are only completing one stage today. You are leaping one hurdle only to be faced with another.

Soon the electoral campaign is to begin and your draft treaty, I believe, will be the central issue. And then the newly elected Parliament will have to see that the treaty is approved by the States. That will be the moment of truth, that will be the hardest stage.

So you have embarked on a difficult fight for the future of Europe. I can assure you that the Commission will remain your ally in that fight.

The Commission in its turn is counting on your support, in its struggle day after day to keep our seriously ill Community alive and breathing.

Mr President, it is often a thankless struggle, but none the less an important one, believe me. The advent, soon we hope, of a European Union based on a new treaty must not be used as a pretext or alibi for neglecting to deal with immediate needs, the everyday realities.

Thorn

The present Community must be revived without delay if you want it to be still alive for the great event which you are arranging for it today.

For this purpose we must proceed simultaneously on two fronts :

- adapt the Community patrimony, mainly by reforming the CAP and restoring budgetary peace ;
- then launch the Europe established by the Treaties on a new stage of development, in particular by enlarging it, by creating a European economic and industrial space and by endowing it with sufficient resources for the purpose.

But if our progress is not to be ephemeral but to endure, we must also and above all find our way back to institutional orthodoxy, restore the capacity to make decisions and above all to make decisions in good time, which is becoming rarer and rarer at present. We must re-establish the efficiency of a decision-making process which has for too long been eroded by the unanimity rule.

Let us not give way to the self-styled pragmatists who disparage concern for the institutional factor as futile yearning for the past. Today, true realism must consist in defining the preconditions for at last translating the admirable speeches and documents which have been proliferating for years on the need to complete the organization of the internal market or to establish a European industrial and social space.

Let us make no mistake about it, ladies and gentlemen! If the Community's decision-making capacity and ability to act is not restored by enlargement, the Community will become paralysed.

We are therefore engaged in a twofold struggle : to keep our Community alive and viable and to prepare its transformation into a genuine European Union.

These are not contradictory or unrelated tasks ; they are in fact two aspects of a single fight.

In this struggle, Mr President, the Parliament and the Commission are bound to be natural allies, both by the nature of their respective roles and by the interests which they represent.

For Parliament represents the people of Europe and the people of Europe — all the opinion polls prove it — want an integrated Europe and are growing impatient.

As for the Commission, it is an institution independent of the Member States and its role is to uncover, interpret and promote the common interest.

Therefore, ladies and gentlemen, I believe that it is by combining our efforts on the basis of the complementarity of our respective tasks that we offer the best hope for Europe's immediate future.

So I say to you and to us, take heart, I wish you a good campaign and every success.

(Applause)

Mr Radoux (S). — *(FR)* Mr President, ladies and gentlemen, during last September's debate on the proposed European Union, on which we are voting definitively today, several of us expressed regret at what had happened a few months earlier in Stuttgart and apprehensions about what might be seen in Athens.

Athens is behind us. Ahead, the problems confronting us are the same, except that they have worsened. It really will be a notable achievement if, by the end of next month, just a few of the items on a crowded agenda ranging from disputed issues to new policies have been settled.

The experts who have been consulted by Parliament during the past few months are categorical : first, the defects in the functioning of the Community apparatus must be rectified ; secondly, Europe faces the prospect of a race between the speed at which its Council takes decisions and the speed at which the new products of the industrialized world are launched onto the market.

In response to these attitudes, these opinions, these recommendations from practical men with first-hand experience, this Parliament is making ready to bequeath two dossiers to those who are returned in next June's elections : one on revitalizing our economies and the other on our institutional problems. This Parliament is therefore avoiding the controversy between those who put the accent on common action and those who place it on the unavoidable need to make the institutions function more efficiently.

The same experts also told us, in the course of our proceedings, that Europe is not a panacea for all the problems affecting our States. 'Europe helps those who help themselves', we were advised.

None of the authors of the Treaties of Paris and Rome claimed that positive national declarations would be rendered superfluous by membership of a Community or a Union. And the preliminary draft that we are debating brings home the twin courses of action to be pursued, stressing the nature of the range of the States' and the Community institutions' respective powers and areas of competence.

Apart from the economic crisis rife in Europe and elsewhere in the world, the characteristic feature of the Community is that it is making a bad job of helping, and this is because it is functioning badly. In this particular case, no one apart from ourselves — Members of this House, of our national parliaments and of our governments — can do anything to get us out of this mess.

Europe is making a bad job of helping : Parliament has received no response to the series of resolutions that it passed in July 1981 on improvement of institutional relations ; the Commission has lost count of the

Radoux

number of its proposals which have not been taken up or are in abeyance, whereas, this is the institution that the authors of the treaties set up for the precise purpose of bringing about unity among us; and the intellectual gymnastics being performed by the Council in not reaching decisions or settling for dangerous compromises are killing the Community.

A Community can exist only on the basis of application of at least two principles: those of solidarity and subsidiarity. These are the principles underlying the existence of our national States, and any State where they were not upheld would break down. It is one of the objectives of the draft that we are considering today to prevent the breakdown of the Community. This draft is accompanied by a motion for a resolution, the wording of which is the result of a good compromise, good because it is balanced and realistic. Let us ensure that this balance is not upset.

Acting on the proposal received from its Committee on Institutional Affairs, Parliament intends to carry through the venture that it has initiated, carrying it over into the next Parliament. It wants this initiative to lead to a dialogue with the national authorities, in which decision-making power is vested. It is unstinting in its efforts to demonstrate the need for information, for exchange and comparison of points of view. To give credit where it is due, Parliament's approach has the merit of envisaging a collective effort on the part of all sections of the political world in our States to achieve the revitalization that has now become an absolute necessity. We must therefore strive courageously over the months ahead to muster maximum support and enthusiasm for this scheme, which is of crucial interest to all the Member States.

Mr President, ladies and gentlemen, if we succeed in the task of establishing this Union, then Europe will continue to count in world affairs. If we fail, the slow deterioration that has set in will gather pace. Of course, no one will leave the Community, because such as it is, all things being equal, it will remain more of a boon than a bane to its members. But it will never be more than a prop to help put off an impending day of reckoning, or a small but nevertheless useful rudder with which to steer sectoral or *ad hoc* projects. What the Community will no longer possess will be the ability to keep up with the leaders, the ability to catch up lost ground and make breakthroughs. In a word, Europe will have lost out as a result of having become incapable of taking full and timely advantage of its two greatest assets: its identity and the space that it occupies in the world.

Consequently, today's vote, the things said and commitments given today will be heeded by many people not only in Europe but also on other continents.

Whoever rejects this plan has failed either to grasp the seriousness of the economic situation in the Member States or to reach a proper assessment of the differ-

ence between the machinery of the Community and that of purely intergovernmental relations, or otherwise has been put off by the sheer scale of a task which is only just beginning. One would have to be singularly biased to be able simultaneously to say no to this project, to have an easy conscience about the way in which Europe is conducting its affairs and to put all the blame for our troubles indiscriminately on our partners and others elsewhere in the world.

I therefore hope that the House will give the strongest support to the preliminary draft prepared by its Committee on Institutional Affairs.

(*Applause*)

Mr Croux (PPE). — (*NL*) Mr President, ladies and gentlemen, on behalf of the European People's Party I am able to confirm that it will be giving its unanimous approval to the preliminary draft treaty establishing the European Union. It is in line with our political programme. The goal has not yet been achieved, but it is a very important step in the right direction. We shall therefore support this project unanimously. We are giving it a high priority. Mr Jonker and Mr Van Aerssen took initiatives to this end on behalf of our group at the beginning of the life of this Parliament.

Why are we giving this subject a high priority? I would remind you of the old dispute between institutionalists and functionalists, a dispute which is irrelevant at the moment. Those who say, let us stop talking about institutions, let us concentrate entirely on economic policy, social policy, the content of policy, are mistaken, especially after the failure of recent European Council meetings. We cannot say to a farmer who has to grow crops that we are only interested in the crops and not in the land, the climate, the seasons, seed-corn and farm machinery. That would be unrealistic. We must equip our Community with suitable instruments, and that is the object of this project.

We are also taking an important step from economic to general policy, including the social, cultural and international policies, and to a security policy which may be very important for future security and peace in our part of the world and even in the world around us. It can no longer be said that this Community is simply an economic community. Of course, there is room for criticism on certain aspects, and it has been said in particular that Parliament accepts that some Member States should be able to claim what they call vital interests during a transitional period and subject to certain conditions. We must emphasize, however, that this can only be done under certain conditions: first, during a limited transitional period; secondly, after the publication and substantiation by the Member State concerned of the grounds it intends to invoke; and thirdly, not every country can decide what are vital interests.

Croux

Some people claim that the Commission too is under pressure from national governments and wonder whether it is wise to entrust this great mission to it. We believe that the Commission is still Parliament's ally and is a genuine European institution, and it is therefore with confidence that we give this mandate to the Commission as a European institution.

As regards the treaty, we prefer a mixed solution. There is a case, we feel, for a transitional period. We are also critical of other points, but our time is limited. We would remind you of what Mr Pfennig said about the catalogue of fundamental rights. Anyone who reads the preliminary draft treaty carefully will find a clear reference to the future and to the rights and freedoms which the citizens of Europe must be guaranteed. There must be no delay here, in our opinion. We therefore call on the House to approve our amendment to this effect.

We also emphasize that it is wrong to claim that the amendment which was approved in committee, the one which refers to the free market, is an ideological instrument. It does not refer to the free market economy in the doctrinaire sense. We certainly agree that the principle of the common market, the free internal market forms part of the common property of our European Community and also of the European Union.

Do we not find countless references in the draft treaty to mediation and the possibility of mediation by the authorities to ensure adherence to various principles of the coordinated economy, the mixed economy and the economy of consultation that we have in our part of the world? That is why we believe this criticism must be rejected.

I should also like to respond to those who say that Parliament is in fact sanctioning a Europe of nation-States in its treaty. What has happened to the idea of a Europe of the peoples? We refer explicitly to the principle of subsidiarity. Every entity, even a local authority, a region, a State, must be able to have its say in the new Europe. I would remind you of a fine picture conjured up by Denis de Rougemont, in which he depicts Europe as a bunch of grapes, not as a uniform monolith, very centralized but, despite all its diversity, an entity that blossoms on the same stem of a common heritage, of common freedoms, feeding on the same sap of life and growing in the same light of a more hopeful future, particularly for the younger generations.

The big question at the end of the debate will be: What will happen to our draft treaty in the future? Opinions on this differ. They have already been expressed during this debate.

Two approaches are possible: firstly, the legal, diplomatic, classical one. But even those who have tabled amendments say that what we are doing here is not classical, not traditional. Must we not therefore be consistent in taking account of this?

We advocate the second approach, the political one, as the expression of the will of the peoples and also of the leaders of Europe. After all, have not the European Council, the Council of Ministers, the national governments taken every opportunity to say that we must work towards the European Union? They were saying this as long ago as 1972. They were saying that the Union would be a fact in 1980, they said so again in the solemn declaration issued in Stuttgart last year. So why has it not come about? Every public-opinion poll shows that an average of 70% of the citizens are in favour of European integration. And there are facts which we cannot simply ignore. Where shall we be in a few years, in the year 2000, when we shall still account for 5% of the world's population, if we do not do what Jean Monnet said: *Il faut changer le contexte.*

We must now think of Europe first, and the Heads of Government and the European Council must also think of Europe first, not as distinct from the nation-States but as an essential condition for quelling the lamentations and achieving the goals of the citizens of Europe and the peoples of Europe. We therefore call on the national parliaments to show their solidarity when they come to discuss this subject in the near future. We have a few hours left, and we must use them to ensure that not only the text of the draft treaty but also the resolution receive the widest possible support.

Mr Newton Dunn (ED). — Mr President, with only a few rather unnoteworthy exceptions all colleagues here are interested in how to achieve better European cooperation. I say unnoteworthy exceptions because the Conservative Party of Britain is the only British political party represented in this debate.

The major question we are debating today is how to make Europe work more effectively. Opinion polls in all our countries and the Eurobarometer show that the peoples we represent in Europe want Europe to work better and are acutely aware that Europe is not working as they would wish at the moment. So we have to find a way to make it work better.

Europe is not working at the present because difficult decisions are not being taken. The public does not know that. They do not know why and they do not know what is happening. There is a conspiracy of silence from the national ministers. The public wants the benefits of a common market, which means easier trade, which in turn means more jobs and more prosperity as well as the higher-minded freedoms that are offered by the Treaty of Rome. What the public does not know — since they have not seen the Commission's latest list, dated 1 October, of over 360 proposals for improving the working of the market that are blocked or delayed in the Council of Ministers — is

Newton Dunn

that over 360 improvements are being blocked. I wish the public knew that. They would be furious if they were aware. They are blocked because national ministers give each other a veto which has no legal justification at all, thereby allowing each other to block proposals for improvements. These vetos work against the interests of our peoples. They only exist to protect national ministers and civil servants at the expense of our peoples. The public should be made aware of this.

Mr President, in this debate we do not just speak to you. We also speak in the hope that some of our words are heard outside this chamber by the peoples whom we represent. I find it very instructive to examine briefly the development of Europe since 1945 from the British point of view. It started with Churchill's immortal speech at Zurich in 1946, when he called for the formation of a kind of United States of Europe. But that was the only British leadership that we have ever shown in Europe. It led to the founding of the Coal and Steel Community, signed in 1951. The British stayed away, although we joined later. In 1954, there was the proposal for the European Defence Community with one European army. But the British stayed away. There was Euratom, for research into the peaceful uses of nuclear energy, but the British stayed away, although we joined later. There was the Common Market, signed in 1957. The British stayed away, although we joined later. There were European football competitions in the 1950s, but the British stayed away, although we joined later. Now we have the European Monetary System and the currency snake, but the British are staying away. I hope we may join later. There are other examples of British tardiness: the development of fast breeders in nuclear reactors, European space research, civil aircraft industry cooperation on a European scale. There are other examples, almost too numerous to mention.

The British record on European integration is abysmal; and I am ashamed to say it as a British representative. We have dragged our feet; we have shown lack of vision; we have let our people down. How different things might have been had we taken a lead in Europe and been positive in our attitudes! I now find, Mr President, that the British people understand and accept that we made a mistake by not joining in 1957. We allowed the rules to be set by the six countries that formed the Community in 1957. We joined late and found the rules had been written and did not suit us. Our mistake, and we regret it.

Now, or very soon after we have voted today, the British will have to consider this initiative which Parliament is raising — the new draft treaty. How are we going to react? Will the British Parliament miss the boat again? Will it pretend the initiative does not exist? Will it allow other Member States to go ahead, to shape and finalize the treaty, to allow it to settle into a solid form so that when the British join later we

shall find that we do not like the rules again? Or are we going to allow ourselves — by ignoring it — to become an isolated offshore island, proud, poor, living in the past, trotting along behind other nations who take the lead and make the decisions which affect our lives?

So to the House of Commons in London and to the British people, I say this: We know this is not a perfect draft treaty; we know that this is not the right moment necessarily — indeed, who knows when the right moment is, except in retrospect? — but do not pretend this does not exist. Do not ignore it and hope it will go away. Do not assume in the House of Commons that the British people would like you to do nothing about this. Instead, take an interest. Debate this, discuss it, improve it. Show leadership in Europe instead of dragging your feet behind!

Mr President, if the peoples of Europe are going to prosper in the future, to advance, to keep pace with other groups of peoples throughout the rest of the world, we are obliged to cooperate closely now and to unite in the future. The alternative, if we fail to unite, is for us to remain separate bickering little nations quarreling over minor matters such as butter-mountain and fish-quotas. We shall remain afraid to face the realities of the 21st century, and our fate will be that of other small States in history which failed to face the reality of change in their time. First, we shall be dominated by others, and finally we may vanish all together and only be remembered as footnotes in history.

(Loud applause from the centre and from the right)

Mr Chambeiron (COM). — *(FR)* Mr President, the preliminary draft treaty establishing the European Union is the same in spirit as the one that we debated in September last year.

Presented in legal form, however, it differs from the original text in two significant respects, one of which is bound to raise some doubts in that a kind of two-speed European Union is suggested, since Member States of the existing Community could accede to the Union while others, equally members of the Community, would continue to operate on the basis of the Treaties of Paris and Rome. But the arrangement of the scheme remains the same in its essentials, so that the French Communists and Allies find no new factor which could persuade them to change the positions that they adopted five months ago.

It is being put about here and there that the ideas contained in the preliminary draft treaty are probably not immediately applicable but are supposed in some way to foreshadow the shape of Europe twenty years or a quarter of a century hence. I am well aware that one can take action without necessarily believing in its success. Once again, though, is this really what the peoples of the Community's Member States expect of European integration?

Chambeiron

The major event in the affairs of the Community in recent years has unquestionably been the failure of the Athens Summit. For the first time since the European Council was instituted, the Heads of State or Government have failed to reach any agreement. This failure has obviously accentuated the decline in the Community's image. But is it because of this inability of the Ten to reach the slightest agreement on any of the crucial problems confronting the Community that there is more justification now than hitherto for resorting to far-reaching institutional changes to make up for the lack of Community spirit? We do not think so. It is no doubt common, in our countries, for institutions to be blamed when no political solution can be found to deal with situations which are, after all, no more than the reflection of deliberate political choices. As experience has shown, however, institutional reforms are not enough to alter the course of a policy in the absence of the will for change.

The image of the Community for the man in the street (who cannot sympathize with him, as he grapples with the realities of his daily life?) is associated with the figure of 13 million unemployed, the closure of factories, continued adherence to austerity policies, and the failure to meet the American challenge. It is the thrust of policy that needs to be changed if any real progress is to be made in refurbishing the image of the Community.

If it fails to define objectives corresponding to the expectations of the people who elected us, the Community is at risk of sinking still further into crisis, and it will not be put back on course by any changes that we might make in the institutions. We believe that the Treaties themselves offer untapped potential and, whatever other claims may be made, it is certainly easier to make adjustments on the basis of what is already in existence than to venture upon an enterprise which could prove to be a short-lived piece of wishful thinking. The need now is for the Community to acquire a fresh image, affirming its personality, its identity and its autonomy while respecting the integrity of the countries of which it is made up. In a choice between an ideal which is in many ways deserving of respect and a more purposeful pragmatism, we prefer the pragmatic option.

It is for this reason that we consider that the round of discussions that France is currently holding with its partners is a realistic approach to the problem of getting the Community out of its present rut. Far from condemning this procedure, we should be welcoming it in that it can make a contribution to the revitalization of European policy. The framework of the Treaties offers substantial scope for cooperation among the Member States which should be used to complement national policies; for this, though, we still need the political will and wherewithal.

Community Europe is perceived by public opinion — and, moreover, this perception coincides with the

reality — more as favouring the interests of large industrial and financial groups than as displaying a will to provide its citizens with the means of self fulfilment. It is seen as a focus of confrontation rather than of cooperation. Rather than a Europe which hides its protection of the interests of big business behind the mask of liberalism, which cripples productive and job-creative capacity, and which destroys opportunities for the young, we would like to see a Europe of its peoples, a Europe which takes account of specific national situations, which is favourably disposed to cooperation with other countries, a Europe capable of playing a positive role in promoting peace and disarmament.

Whatever happens to the amendments that have been tabled, the general scheme of the draft will remain unchanged and we do not believe that the guidelines it contains are capable of changing the drift of the policy which is at the root of the public lack of interest in the construction of Europe. Before we change our institutions, we need a change of policy. No one has yet run a train service without first building his track. The French Communists and Allies will therefore take no part in the voting on the amendments and will be opposing the motion for a resolution contained in the report presented by the Committee on Institutional Affairs.

Mr President, I should like to say one last word. It is always very unpleasant to criticize someone in his absence, and from this point of view I am sorry to see that President Thorn has had to leave the Chamber for a while. However, having heard the Commission explain to us on such frequent occasions that it is the vigilant custodian of the Treaties, I was surprised at the enthusiasm with which President Thorn lent his authoritative support to a scheme which is manifestly outside the scope of the Treaties' provisions.

IN THE CHAIR : MR NIKOLAOU

Vice-President

Mr Haagerup (L). — (DA) Mr President, there are those, even among many outspoken Community supporters, who think that it is perhaps rather a bad time to discuss a draft of an actual union treaty. We do after all have many problems in the present Community, and it might be asked whether we should not first see that they are solved. But it is not a question here of either-or but rather of both-and. We must not forget the longer-term aims of the cooperation we have entered into, and I also think it is particularly important for us to do it at a time when the Community has such serious problems. Personally I have always regarded what is called European Union as a process leading to an increasingly binding Community. It is necessary to state the matter clearly, in order to counter those who seek to cast suspicion

Haagerup

on everything that has to do with a strengthening of the Community's institutions and reassure those who are afraid of the very idea. The danger is indeed not that the competence and authority of our parliaments and governments would be taken away by a great union monster. On the contrary, the danger is that the Community may gradually fall apart, and that is why there is a need to show the way towards strengthening the Community's institutions. In my country too, we must come to accept that a large majority in Parliament prefers to call this process a union.

The proposal for a treaty which we are discussing today is, after all, a compromise. I have reservations on certain points of detail; but I support the endeavour, which the text conveys, to bring about a Community which is more binding and to some extent has a different structure. There can be no doubt about Parliament's right to present a proposal of its own for institutional changes, but it is equally clear that we cannot present such a proposal in the expectation that the Member States will proceed to ratify the text either straight away or sooner or later. To the extent that there is any interest at all in our Member States in such a proposal — and that varies a great deal from one country to another — it is essential that the members of the parliaments and governments of the various countries must be given the opportunity to exert an influence on the content of such a treaty before it is brought to fruition. I therefore attach great importance — along with many other Members present in this Chamber and my own group — to the adoption of the motion for an amendment which has been tabled by Mr Nord and myself. It is in fact aimed at seeking to involve national parliamentarians in an exchange of views on this treaty proposal. For, if we do not do that, we shall risk creating more division than unity, and I must emphatically urge the strongest adherents of union to exercise patience and realism, for we shall otherwise risk creating a split within the Community with no certainty whatsoever that we shall get a European Union to take over from the Community we know.

Mr Vandemeulebroucke (CDI). — (NL) Mr President, ladies and gentlemen, I shall on principle be voting for this preliminary draft treaty establishing the European Union, if only to show that my party has a pro-European attitude, out of solidarity and above all because a new era calls for new tasks to which a European approach must, of course, be adopted. This may come as a surprise, since I abstained during the debate on the Spinelli resolution in September. I detect a number of improvements in this preliminary draft treaty, first and foremost because the whole question of European integration has now been given a dimension which will entail direct negotiation and dialogue with the regions in sectors in which they should be involved, and secondly, because powers have now been extended and defined more accurately. I am referring, for example, to the whole peace mandate.

But despite this approval, I feel bound to mention a number of unsatisfactory points and weaknesses in this preliminary draft treaty. Above all, I find it very sad that the principle of so-called vital interests has been officially included in the Union treaty. This is a pitiful concession, and I would just remind you of the warning given by the President of the Commission, Mr Thorn, in this respect.

A second point with which I have particular difficulty is that European Political Cooperation will in practice remain a fiction, because each Member State may at any time revert to what are regarded as the *acquis communautaires*. European Political Cooperation is thus constantly threatening to become a sign of contradiction, and any Member State can at any time use vital national interest to blackmail the others. Indeed, what will happen if only half the Member States sign this Union Treaty? In practice, we shall then have a Europe that is proceeding at two speeds: on the one hand, the Member States that sign this Union Treaty, on the other, the Member States that remain committed to the Treaties of Paris and Rome. This is in itself absurd.

There are also some matters of principle which have deliberately been left vague. For example, the draft treaty says nothing about the seat of the institutions and is completely vague about the right of initiative of individual Members of Parliament in this respect. But the most serious objection is that no mention at all is made of powers at the level of the regions. The power of the Member States will in fact be strengthened, since their governments will appoint representatives to the Council. The Council will also have more powers than the democratically-elected Parliament.

I therefore believe that tactically it would have been better to draw up a utopian Union treaty. As it is, there is a danger that this treaty will be regarded as our final offer. It would have been better, at any rate politically more worth while, to outline an ideal model for the construction of Europe, with an indication of the intermediate phases to be completed on the way. This preliminary draft treaty establishing the European Union is, in my opinion, no more than an intermediate phase for anyone who believes not so much in the construction of Europe as in the principles of integral federalism, as outlined by people like Denis de Rougemont and Alexandre Marc have pointed out: federalism as a form of life in concentric circles, the smallest being the most intense and the most important.

Despite being a vital intermediate link, the regions do not fare at all well here. I rather have the impression that Mr Spinelli can be compared to the architect of a two storey building who has forgotten to include the staircase from the ground floor to the first floor in the plans: the ground floor is the level at which the

Vandemeulebroucke

Member States operate, and the first floor is Europe's, but the staircase, representing the regions, is missing.

This intermediate phase has thus in fact been a pitiful mistake, but I shall give my approval to this intermediate phase, this Union treaty, as a matter of principle, although I felt it my duty to raise a number of objections.

Mr Eisma (NI). — *(NL)* Mr President, where the Council and in fact the Commission too have failed, it is now for this Parliament, after Athens, to breathe new life into the European idea. Apart from this, you will not hear any grand words about Europe from me for the moment, particularly as I fully agree with the excellent statement by Mr Newton Dunn, who has given a good British interpretation of the reaction to this draft treaty.

Mr President, drawing up a preliminary draft treaty is one thing; implementing it is a completely different matter. After all, as I said in September, we have absolutely no guarantee that these proposals will be put into effect. We will work on this through our national parliamentary representatives, but we have no guarantee at the moment. We must therefore begin by increasing our authority as a Parliament, using Parliament's present powers. The citizens of Europe will then have faith in the European Parliament. We must therefore now improve the quality of our efforts, set priorities as a Parliament, attend in greater numbers in general and during votes in particular — in short, increase our efforts as a Parliament.

I now come to the text of the preliminary draft itself. We fully endorse the broad lines of this text, but we do have one comment to make on the section concerning the institutions.

We regret that the European Council is referred to so explicitly as the institution of cooperation. In our view, the European Council should be more of a link between cooperation on the one hand and joint action on the other. But the reference in Article 32 to the European Council as expressing the identity of the Union does reflect our views to some extent at least. We are satisfied with that.

What we are not satisfied with are the provisions governing relations between Parliament and the Commission. We have tabled an amendment to Article 16 designed to make it possible to adopt a motion of censure against individual Members of the Commission. We are fully convinced that the effect of this control instrument will be increased if we have this opportunity. If all we can do is send the whole of the Commission packing, we may find the weapon so alarmingly drastic that we never use it.

As regards the composition of the Commission, we have also tabled an amendment seeking to limit it to one member per Member State.

The amendment we have tabled to Article 23 (3) is, in our view, vitally important. We want this paragraph deleted. Parliament will be doing the Community a disservice if it for the first time gives official recognition, however worded, to the concept of vital national interests, handed down from the Luxembourg agreement, which is in fact nothing more than an agreement to disagree.

We have also tabled an amendment to Article 85, which calls for Brussels to be designated the seat of all the institutions except the Court of Justice. What could be more obvious than that the Council, Commission and Parliament should be all together in one place? It would make for greater efficiency and also put an end to the to-ing and fro-ing and the unnecessary expense this entails.

Mr President, we look forward with great interest and curiosity to the outcome of this evening's vote.

Mr Petersen (S). — *(DA)* Mr President, the key concept of the Spinelli plan is the federal principle as we know it in the United States, but no analysis is presented of the reasons why this principle does not work satisfactorily in the United States — democratically and socially and from the point of view of the quality of life. Neither are there any considerations to be found in the Spinelli plan of whether this principle matches the requirements of the countries of the European Community, and it presents no alternative development models. That is the limitation of the Spinelli plan — which, when we come down to it, is only a discussion document. And that will be its fate. It is at one and the same time expansive and narrow: it lacks the art of self-limitation in its political ambitions, but it is all the more limited in its political psychology. It will therefore be nothing more than a union comet that, like a phantom, an apparition without substance, shoots across the firmament of Europe. And, what is worse, it is damaging to European cooperation.

Article 82 is a challenge from the unionists to all of us who have a more pragmatic and functional model of cooperation. Article 82 represents an attempt to set development back to the stage of the Six. Indeed, its aim is quite simply to throw the countries opposed to union out of the Community; it is a challenge, a want of cooperative spirit and an attempt to force through a Germano-Italian formalistic state model over the heads of other, more pragmatically disposed countries, in particular those on the margin of the Community, from Greece in the south, through Britain and Ireland in the west to Denmark in the north.

But these countries, with France in the centre, will take care to ensure that the Spinelli plan is never raised out of the two-dimensional plane of the paper it is written on.

Petersen

We Danish Social Democrats say no to the union plan and all other output from the Spinelli mill, for four reasons: first, because the plan is completely unrealistic, and it is not in our pragmatic nature to concern ourselves with castles in Spain. Second, the plan is damaging, partly because it creates bad blood — as I have already said — between the union-minded countries and the more pragmatically oriented countries, partly because it diverts attention from essentials, namely the solution of the many serious problems of a concrete kind we are at present faced with and getting out of the crisis. On the contrary, union will reinforce the obsolete pattern of production and growth which is the cause of the crisis. Third, the Spinelli plan is politically naive: it is unthinkable for ten parliamentary democracies to take what, seen from the national point of view, would be the revolutionary step of adopting the Spinelli plan. It is quite simply not in the nature of democracy. Fourth, the Spinelli plan is arrogant, for it is arrogant of Parliament to assume the competence of a constitutional assembly. That authority does not belong to Parliament but exclusively to the ten countries which have entered into cooperation to form a European Community.

But remember, colleagues, that pride goes before a fall. In a few months, you will have to face your voters. In the pragmatic countries, the Spinelli plan will certainly not strengthen the credibility of the European Parliament, and in the union-minded countries the Spinelli plan will give rise to false expectations, which will not and cannot be fulfilled for many years, if ever. The disappointment in the years to come will be that much greater.

There is only one way forward for the Community, and that is the difficult art of pragmatic cooperation. For these reasons, Mr President, the Danish Social Democrats will vote against the Spinelli report.

3. *Welcome*

President. — Ladies and gentlemen, I have great pleasure in officially welcoming a delegation from the Irish Parliament led by Mr Maurice Manning, Vice-Chairman of the Joint Committee for European Affairs.

(Applause)

On behalf of all the Members of the European Parliament, I extend a hearty welcome to our Irish visitors. I hope that their visit will help to strengthen cooperation between the European Parliament and the Irish Parliament.

(Applause)

4. *European Union (contd)*

Mr Seitlinger (PPE) — *(FR)* Mr President, ladies and gentlemen, during the guideline debate of 13

September last on the preliminary draft treaty, I had occasion to enumerate the fundamental considerations recommending adoption of this document, a document which is both bold and realistic since it opens up institutional perspectives corresponding to the needs of Europe's peoples and makes provision for the absolutely essential improvement in the distribution of tasks among the European institutions and Member States. Events since that time, both in the world generally and in my own country, merely give me and all my fellow members of the Group of the European People's Party further encouragement to support this draft.

We should not forget the atmosphere that surrounded the European Council in Athens last December. There were those who already saw that failure as the beginning of the end for the European Community. Admittedly, the Community had come under assault in the past and survived. But never had there been such a feeling of fatalism and resignation tinged with cynicism as on those winter days when our various representatives made their way home, with the promise that everything would come right next spring, in Paris.

How can one possibly continue to put trust in the efficacy of these procedures, which were intended to be solemn and decisive when the European Council was instituted in 1974 but degenerated rapidly under the combined effect of *quid pro quo* practices and abuse of the right of veto? The draft on which we shall be voting in this House and which is to be the subject of major democratic debates in our various national parliaments provides a unique and unlooked-for opportunity for putting our outlook on Europe back onto the proper plane: examination of ways and means of organizing a community of peoples whose concern is to share and collectively defend the values of progress, freedom and humanism which, as they are beginning to realize, will slip beyond their grasp unless they work together to safeguard them.

When going through the State of the Union speech delivered by the President of the United States on 25 January last, I was struck by the vast psychological gulf between America, which exudes confidence and faith in its future and its identity, and Europe, with its indecision, self-doubt and preoccupation with its own problems. Has Europe aged to such an extent that it is no longer capable of experiencing the thrill that its vigorous transatlantic partner feels at the prospect of a new frontier to be breached, a grand design to be realized for the greater security and well-being of its future generations?

My group is not prepared to give up without a struggle and has accordingly been working from the outset to support and improve the draft, the most fully finished version of which is the one that the House will be voting on.

Seitlinger

I should now like to reply briefly to objections of two orders that have been raised on one side or another against the text of the draft treaty. Some people consider that the major qualitative development in European relations that establishment of the proposed Union would represent would seriously undermine national independence and identity. I do not propose to reiterate the closely argued replies that have been given by economists, including Michel Albert who has demonstrated the futility of national responses to an economic and technological challenge which is of worldwide dimensions. We still have the choice between, on the one hand, free and voluntary delegation of certain sovereign powers to common democratic institutions along the lines set out in the draft and, on the other hand, the involuntary dependence that we shall be unable to avoid if we remain disunited: dependence in the scientific and industrial fields imposed by the American and Japanese giants; dependence in the diplomatic and military field imposed by Soviet dominance. This is the prospect — a divided, subjugated continent — that the year 2000 holds in store, unless we appreciate before then that, for all of us for whom the concepts of freedom and democracy still have meaning, the European Union is essential.

Is it not clear, as the draft proposes, that all measures aimed at completing the establishment of a unified internal market should become the exclusive competence of the Union, given that some eight to nine billion ECU are wasted each year on account of the maintenance of bureaucratic customs controls between Member States?

Let us not forget that it was over 10 years ago, at the summit meeting held in Paris in 1972, that the Heads of State or Government announced that the European Union would be in existence by the end of the present decade. What a lot of time we have wasted, what a lot of promises given to our peoples that we have failed to keep!

I should like to deal with another series of objections concerned more with form than with substance. This House is being unrealistic, we are told, in that it has produced a draft without organizing the means for putting it into practice, for translating it into reality in the world beyond these walls. Some of us are thinking of the sorry fate of the plan for a European political community drawn up by the ECSC *ad hoc* assembly. The difference between 1953 and now is that our Assembly draws its legitimacy from direct universal suffrage and is able to call on public opinion as its witness, to appeal for public support to bring pressure to bear on our governments so that they give due consideration to the draft treaty. We are well aware that it would be pointless to seek support for this text from the national parliaments alone, since, in my own

country at least, it requires formal ratification by the Head of State. The important thing is that, from this day forward, the European Parliament's draft should become one of the key elements in the European debate, that it should supply one of the prominent themes in the forthcoming election campaign, and that it should serve as a reference for any government initiative aimed at getting Europe out of the rut in which it is becoming dangerously stuck.

The Group of the European People's Party is therefore solidly, unanimously behind this draft. Let us hope that today's historic vote will be remembered by our peoples as a decisive stage in the construction of the European Union.

(Applause)

Mr Welsh (ED). — Mr President, I recall a few weeks ago that we had a discussion in the Committee on Economic and Monetary Affairs on the difference between statesmen and politicians. Statesmen are the people who have visions, dream dreams and embrace great causes. Politicians have the unenviable task of making those dreams and those ideals work in practice.

Mr Spinelli is a statesman, so is Mr Seitlinger. My good friend, Derek Prag, is a statesman. I suspect that all the members of the Committee on Institutional Affairs are statesmen. But I, alas, am a politician, and I approach this matter from the point of view of a politician — of somebody who has to make things work.

I think there can be little argument that the institutional structure of the Community is in very serious disrepair and in need of fundamental reforms. It is quite extraordinary that at this crisis in the Community's history the Commission — the rudder, the guardian of the Treaties — seems to have disappeared altogether from the arena. Indeed, the presidency, in spite of what Mr Cheysson told us in his programme speech, appears to be conducting its business in a series of bilateral meetings and ignoring the Commission altogether. Indeed, the President seems to communicate with the other Member States through the medium of the magazine *Quick* rather than through direct meetings. That is perhaps a proof of how sadly the institutional structure has crumbled. In that situation, it is extremely valuable that Parliament's suggestions for reform should be on the table.

Where we begin to part company is, first of all, in the quality of some of its suggestions. There are one or two minor matters such as the suggestion that the Parliament should appoint half the members of the Court of Justice, and half the members of the Court of Auditors. That is not the role of a parliament and never has been, and never should be. There are some minor qualms about the suggestion that the President of the Commission should be solely responsible for

Welsh

appointing his own Commissioners. But much more serious are two other issues. The first is that the institutions of the Union should have the unrestrained right to raise revenue. The second is that where vital national interests are at stake, delay should only be possible during a ten-year transitional period.

The point is this: do we really think that the people of Europe are ready for this quantum leap forward in European integration? Mr Spinelli may have sold the idea of the Union here, but has he actually sold it to the wider European public? Is this Parliament seriously capable of assuming the powers that it claims for itself? Can we honestly say that our record over the past four-and-a-half years justifies us in so doing? I recall that the last time we voted the Spinelli report the debate was followed immediately by a short debate on giving away Christmas butter. At that point Members of this Parliament voted through a resolution which was financially totally irresponsible, with no thought at all, and actually howled the Commissioner down when he attempted to explain that the money was not there. Is this really the sort of responsible body that is going to achieve these great things?

Then we come to the debates on agricultural prices next month. We know very well that the Community is running out of money. Yet I fear very much that this Parliament, when confronted with the issue, will vote for rises for farmers that bear no relation whatsoever to the reality of the Community's own resources. Yet this is the body which claims to have nearly unrestrained powers over revenue-raising.

In my own country, we have fought a long and hard battle over the question of budget balance. We have been repeatedly repudiated and voted down in this Chamber. Now I am a democrat, and I accept that. But in accepting it I am not sure that I am prepared to commend to the people of Lancashire that the whole concept of vital national interests should be destroyed, because in this particular case the Parliament has taken no notice whatever of what we regard as a very important national interest indeed.

Mr President, there is a story that comes from the First World War and concerns a young platoon commander — he might even have been an Italian. When the day came for his platoon to go over the top he stood on the step, drew his sword and made a passionate speech explaining how that day they were going to do great deeds; they were going to fight for the fatherland; their parents would be proud of them and their children would remember their names, and so on and so forth. He waved his sword and shouted 'Avanti, avanti!' The troops sat there and applauded, but they did not move. I feel a little like that about the Spinelli report. I admire the style, I admire the effort, I even admire the concept, but I am not sure if I am ready to move. In so saying as a mere politician, I suspect I am broadly representative of the bulk of the people of Europe.

Mr Ephremidis (COM). — (GR) Mr President, we have a sound basis for questioning the right of this Parliament to make a commitment on behalf of the peoples of Europe by giving its approval to the draft treaty under debate, and that is that Parliament was elected in 1979. Those who still claim that it speaks for the peoples of Europe should be aware that no mandate was given for revising the Treaties, and certainly not for drafting a new one.

We also dispute the right of the national parliaments to bind their peoples by approving the draft, because the matter was not put to the peoples when the national parliaments in all the countries of the Community were elected; the situation was simply that in Community matters the Member States would operate within the framework of the existing Treaties. In Greece, moreover, the majority in parliament, including the party in government, was elected on a mandate to pull out of the existing treaty framework. So how on earth can the government majority now fall into line with the existing Treaties, which were opposed by the bulk of our people, let alone sanction a new and even more binding treaty?

Mr President, we wonder why, with the elections coming up, you are in such an indecent hurry to conjure up a new treaty, instead of just amending the old one. Why not wait and make an election issue of it so as to get a mandate for revising the present Treaty or drafting a new one? For us the reason is crystal clear. Powerful vested interests are responsible for the many-sided and profound crisis afflicting the Community and the system under which it operates, and to find a scapegoat you say: 'It's the fault of the Treaties, of the institutions. So let's change them and tell the peoples at election time: "The Treaties are being changed and the crisis will be overcome".' This, Mr President, is a cunning deception against the peoples. We are dealing with a draft which runs directly counter to the national independence of the peoples of the Member States, which by consolidating the supremacy of the law of the so-called European Union to the detriment of national law aims at putting an even tighter squeeze on the powers of the national institutions. This piece of deceit would confer powers, in essence class powers, on the multinational conglomerates surpassing those of the governments and nations, and to cover this up a declaration of certain principles has been conjured up in the preamble to the draft treaty and in quite a few other places here and there in the text. The bait for leading the peoples up the garden path.

You talk about pluralistic democracy. But where is this pluralistic democracy when the press in your countries is in the thrall of the monopolies, when the mass media are in the hands of the same forces, when, in the Council of the Union you want to establish, the four big states would have 40 votes and the six smaller ones only 20, when there would be the same lack of

Ephremidis

equity, inadmissible in a supranational set-up, in the other institutions as well; in the Commission, the Council, and here in this Parliament, where the four big countries would continue to have 81 Members and the others far fewer? Just where is the banishment of the national criterion, of national egotism, which you are supposed to be after? Because, touching on this, you adduce national population size so that you can have 81 Members and the others far fewer. You invoke freedom and the rule of law, but this is a pseudonym for rule by the vested interests, for allowing the monopolies a free hand. You conjure up the prospect of the European Union creating full employment. Mr President, if the fact that they are struggling to stay alive did not prevent them, the 15 million unemployed in the Community would burst into what we call Homeric laughter.

Finally, it is maintained that this European Union would strive for *détente*, disarmament and the peaceful settlement of differences. But the governments of this Community, of the powerful countries, have opened up the gates of Europe to the deployment of Pershing ...

President. — Colleague, you have far exceeded your time. I am sorry, because your speech has been a good one and lucid.

Mrs Veil (L). — (FR) Mr President, ladies and gentlemen, following detailed consideration and drafting in committee and several deliberations in plenary, the European Parliament now comes to vote once again on the draft treaty establishing the European Union.

I shall not be making an analysis of the text. This has already been done at length by others, notably Mr Nord, who has spoken on behalf of our group, explaining the reasons for which we shall be voting in favour of this draft. However, in the interests of greater effectiveness and realism, we are looking for amendments on a number of important points, especially in the motion for a resolution.

I shall therefore confine myself to stressing the significance of the vote on this motion for a resolution as a stage in the process of European integration. There have been past occasions when Parliament has stated its position on institutional changes or when some leading figure or committee has made suggestions for helping the Community to make progress or improving the way it works. But this is the first time that a comprehensive, detailed draft of a new treaty to replace the existing one is being referred to our national parliaments.

This draft reflects an ambitious but realistic conception of Europe, encompassing all aspects of Community life. It is ambitious because it gives expression to the will to confer real powers of initiative and executive powers on the Commission, and because it

enables the Parliament to give the Community the democratic dimension that it still lacks, so that it will be able to develop its influence as a political force. But it is also realistic, since it does not call for a break but a continuation of an empirical process, as envisaged by the founding fathers.

This being the case, it is probable that some people will be disappointed, finding that the text does not go far enough, while others may find that it is unacceptable, because it upsets too many habits and is likely to undermine national sovereignty. As these fears clearly indicate, there are two dangerous pitfalls which we must avoid at all costs.

The first would be to take the view that this is not the time for such a document, since it does not deal with the immediate concerns of the Community and does not take sufficient account of the difficulties demanding our urgent attention. That would be underestimating the need to give fresh hope to the people of Europe, to set the Community's sights firmly on the future. We are forever being told that Europe must become a political force in the world, capable of assuming its international responsibilities and making provision for its own security and economic prosperity. But how could it manage to do these things if it did not set about the task of organizing itself so as to be in a position to deal effectively and democratically with the problems confronting it?

The second pitfall would be to take the view that this project is an end in itself, that it is the only means of achieving progress and that there is therefore no need to bother with any other proposed institutional pathway along which gradual progress could be made. Similarly, it would be a serious and even dangerous mistake to give the impression that, unless there is a new treaty, the Community is bound to collapse. Nevertheless, we must not abandon pragmatism, the course plotted by our forbears, even though this course is often slow and difficult. It is difficult because it entails a constant need for compromises. And it is this that we lack, on one side and another: a willingness to compromise. Let us be clear about this: even a federation would require compromise, to an even greater extent, since otherwise it would be in danger of breaking up immediately. We are all familiar with the difficulties, the bottlenecks that arise in countries whose history has led them to adopt federalism. As can be seen in a number of States, federalism has serious implications for economic prosperity and even political stability and accordingly is not always easy to apply.

Let us be clear and frank: who is prepared today to accept a Union, and are our peoples ready for it? This, in my view, is the essence of the matter, since this project raises the question of whether the political formations to which we belong are prepared to accept the political implications of the commitments that we

Veil

have given, whether they are prepared to underwrite them. The question really needs to be asked when we see, for instance, that ministers, some of them members of our own political parties, are incapable of accepting the minor compromises that have to be made in order to solve the problems that arise daily, or when governments invoke the unanimity rule whenever they consider it expedient to do so.

We ourselves are not above criticism in this respect. Have there not been occasions when we have put certain national sectional interests above what we have known to be necessary European options, or rather — and this is even more serious — when we have instinctively reacted by insisting that *our* national solution has to be imposed on the others, because it is bound to be the best?

Let us not blind ourselves to reality. Institutional reforms will not provide the miracle solution relieving us of the need to make the enormous effort involved in becoming real Europeans. If we open our hearts and minds to deeper solidarity, if we show more courage and more intelligence too, if we display a greater willingness to accept a few immediate sacrifices, then Europe will become strong and our peoples will be able to be confident of their continued security, well-being and freedom.

This vote is above all an act of faith in the future. This initiative, this appeal to our national parliaments, could have come from no source other than the European Parliament, which is acting in the knowledge that it is interpreting the deeply held aspirations of the peoples that we and the national parliaments represent.

(Applause)

Mr Bøgh (CDI). — *(DA)* Mr President, two of my countrymen in this assembly, Mr Møller and Mr Kirk, have according to the press tried to have this debate and vote on a union treaty postponed. They want the matter to be deferred until after the elections in June. One thus wonders: why are two enthusiastic supporters of the Community so reluctant about the issue which is at the very centre of Community affairs: political union? It is because they do not want the elections on 14 June to become a vote for or against the union-state. They are quite right in the light of their own situation, for they know that 90 % of the Danish electorate are against the plans for Union. If the plans for Union become the election issue, it will be an encouragement to vote for Community opponents or not to vote. And conversely, when the attempt to get a postponement of the debate on this matter failed, that was because most of the other Member States actually want to turn the elections into a union vote, quite simply because European Union is an objective of the Community generally accepted by

the populations of those countries. As it says in the explanatory statement of the proposal for a constitution:

These elections would have been a ridiculous parody of democracy if they had had no other purpose but to constitute an assembly charged with delivering opinions to a Council which with every day that passes is becoming less and less able to act.

We may thus note the remarkable fact that the union perspective, which is rather attractive to voters in most other Community countries, mostly encounters opposition in Denmark. Danish politicians have often allowed themselves to be talked into endorsing bombastic and high-sounding declarations on a European Union; but they have always been able to go home and get themselves off the hook by saying, 'let's face it, nobody really knows what the word "Union" means'. The important advance made by this report is that there is now no longer any excuse for saying that nobody knows what Union means, for the draft treaty states clearly what Union means to the union-minded majority in the Member States. It means a federal state with legislative, executive and judicial power such as a sovereign state has. It proposes to pursue policies in all the sectors in which a sovereign state pursues policies. Yes, including cultural policy, defence policy, arms policy, foreign policy — those areas of policy which Danish Community politicians have solemnly promised the voters the Community will never concern itself with. It is to be an effective state. The right of veto is to be removed and replaced by majority decisions, in direct conflict with the promises made by Danish politicians to their voters. And the European Parliament is to arm itself with the power of a legislative assembly at the expense of the national Parliaments — also going against all the promises made to the Danish people. I can well understand that Danish politicians would like to have this matter postponed till after the elections.

Mr President, even though I must from my own point of view vote against any proposal for Union, I will say that a systematic, thorough piece of work of a constitutional nature has been done here, and we have reason to pay tribute to it. It has made a contribution to a clarification of these problems, which has long been needed. One might be justified in calling it a report on arrangements leading to the withdrawal of Denmark from the Community.

Miss Spaak (NI). — *(FR)* Mr President, having once again thanked Mr Spinelli and the Committee on Institutional Affairs for the work that they have done, and noting that much ground has already been covered in earlier debates, I should like to concentrate on what I consider to be an essential justification for our vote in favour of the report.

Spaak

In broadening the areas of competence ascribed to the Community and strengthening the Parliament's powers, this draft treaty is fully in line with what should be the proper evolution of the Community: more clearly defined democratic rules and better provision for the respect of fundamental rights.

The Athens failure has glaringly highlighted the ever-widening gulf between the Council's lack of political will and the European people's deep, although sometimes poorly articulated, desire for greater efficiency and therefore fuller European integration. The European Parliament has shown itself to be a responsible institution. The recent vote on the 1984 budget and the institutional initiative that we are debating today are clear evidence of that.

However, the unduly restrictive limits on its budgetary and legislative powers are an obstacle to such initiatives. I still believe, Mr Spinelli, that the Treaty of Rome, drafted over 25 years ago, was, in a different political context, an excellent text. However, it has become a commonplace to point out that some of its most important provisions have not been observed or applied.

Today, in 1984 we, as the first directly-elected members, have an absolute priority: to demonstrate that our determination to see the establishment of the European Union remains undiminished. In the face of the crisis that is causing severe hardship to millions of Europeans, we must show that we are more convinced than ever that our countries will either come through safely together or disintegrate separately, in self-centred, sterile nationalism. Whatever hesitations, doubts and criticisms we may express, our vote this evening will reflect the greater or lesser strength of this conviction.

Mr Van Miert (S) — (NL) Mr President, ladies and gentlemen, if this debate is supposed to be about a 'European constitution', then I have the feeling that something is missing. The lack of interest and the rather artificial nature of this debate show that we still have a long way to go. But a lack of hope may not stop some people from looking to the future, and Mr Spinelli is one of them. I should therefore like to express my heart-felt appreciation of the role he has played in recent years in trying to see into the future. It is therefore right that this report should bear his name. Whether it will be implemented is a completely different matter. If it is to have the best possible chance, it is absolutely essential for it to have the consistent support of a large majority of this Parliament, both numerically and politically.

I will therefore join the chairman of my group, Mr Glinne, in warning against allowing this debate to sink to the level of a sterile ideological tug of war. Some people may think that this will win them votes, but they will also have to take responsibility for a poor start to a very difficult undertaking.

The actual policy pursued is a matter for the policy-making organs, which in turn depend on the confidence of the electors. How much free-market economy or mixed economy we have is a question of policy, on which the electors will decide in accordance with the democratic rules of the game which we fortunately have in our countries. I therefore wonder why some people are today absolutely intent on including in this treaty provisions which, clearly, are wilfully directed against major political movements in this Parliament and in our European Community.

I also wonder whether those who have tabled certain amendments have considered the consequences of their adoption, for the common agricultural policy, for example. Is this not a classic example of a dirigistic and thus anything but a free-market policy? Those who have tabled these amendments are thus admitting that they do not want to reform the common agricultural policy.

This brings me to a second fundamental objection, because I am convinced that an ambitious institutional revival can only be successful if it is accompanied by a revival of the substance of the Community. This is clear from the history of the Community. The institutions functioned best and acquired influence and authority when rapid progress of substance was made, as was the case in the initial years of the EEC, and Miss Spaak rightly referred to this period just now. This is still true today. It is therefore absolutely essential for various things to happen simultaneously: a joint economic revival, something more than lip-service to the fight against the very high level of unemployment, a Community approach to what is essential for our security, effective transfrontier action to protect the environment, cultural cooperation and so many other things which the public itself can regard as a step forward.

Our Community is very much in need of institutions which work well, of greater decision-making power and of policy instruments, but there may be an even greater need for a policy that does something for the people. The public must again have the feeling that European unification is a historic necessity for Europeans themselves. A European Union must therefore resolutely choose its own independent course, rather than first wondering what others may think. Give young people fresh hope by offering them work and prospects again, let it be seen that peace problems and peace policy do not mean growing numbers of increasingly expensive and terrifying weapons! What is needed is not a prophecy of doom, but a revival of our own European ambition, of the feeling that we are doing something useful, valuable, humanistic and in the interests of mankind. That is the real challenge.

To conclude, I should like to express my concern at the re-emergence of the idea of a permanent political secretariat, to which, I believe at least, the French

Van Miert

President alluded in his recent address. Mr Mitterrand referred to a proposal from Chancellor Kohl, but German sources deny that such a proposal was made. I am concerned because this signifies the re-emergence of the basic idea of the Fouchet plan, and that is certainly not the direction we want to take with the Spinelli report. I therefore feel that this Parliament has a right to a rather more detailed explanation from the French Presidency and very much hope that it will be forthcoming during this part-session.

Finally, Mr President, I can say that the Flemish Socialists will be approving the project, although I appeal once again to members to show wisdom by withdrawing amendments which were rejected in committee and which could jeopardize the broad agreement that is needed.

(The sitting was suspended at 1.05 p.m. and resumed at 2.30 p.m.)

IN THE CHAIR: LADY ELLES

Vice-President

5. Question Time

President. — The next item is the first part of Question Time (Doc. 1-1388/83).¹

We begin with questions to the Council.

We welcome Mr Dumas, from the French Presidency, who will be answering questions for the first time today.

(Applause)

As their authors are not present, Questions Nos 1 and 2 will be answered in writing.²

Question No 3, by Mr Moorhouse (H-611/83/rev.):

What engagements will the President-in-Office of the Council of Transport Ministers be undertaking in respect of his official duties during his period of office?

Mr Dumas, President-in-Office of the Council. — *(FR)* Madam President, may I first of all thank you for your words of welcome and say that it is a great honour and pleasure for me to address the European Parliament for the first time.

I am grateful to Honourable Members for the questions that they have put to the Presidency and thank them in anticipation of their kind attention to the answers that I shall be giving on the matters raised in these questions.

¹ For the announcement of subjects for topical and urgent debate, see the Minutes.

² See Annex I of 15 February 1984.

Mr Moorhouse's question calls for the following answer: in his speech of 18 January 1984 presenting the French Presidency's programme, Mr Claude Cheysson outlined the Presidency's intentions in the field of transport. Since then, on 24 January 1984 to be precise, Mr Fiterman has appeared before your Parliament's Committee on Transport to give a more detailed account of this aspect of the French Presidency's programme.

I can confirm to Parliament, I believe, that Mr Fiterman's intentions are still the same.

Mr Moorhouse (ED). — I appreciate the reply given by the President-in-Office of the Council, but would he be good enough to apply himself to the precise wording: 'What engagements will the President-in-Office of the Council of Transport Ministers be undertaking...?' We were indeed glad to see Mr Fiterman at the Committee on Transport and to hear his views, but does the President-in-Office not consider that the Transport Minister in particular should be taking very active steps by meetings to show that the Council of Ministers really means business in trying to see that the sixteen or so proposals which are still lying on the table are agreed — or at least a large majority of them — before the end of his period of office?

Mr Dumas. — *(FR)* I think that I can reassure the Honourable Member on the supplementary question that he has just put.

The Presidency's intentions are not in any doubt; it will be calling the next Council meeting on transport issues on 10 May 1984.

When he appeared on 24 January 1984 before the Parliament's Committee on Transport, Mr Fiterman, President of the Council of Transport Ministers, stated that he intended to hold an informal meeting of the Member States' Transport Ministers early in April. The purpose of this meeting and the various bilateral contacts that are currently taking place is to prepare the ground for the May Council meeting and to ensure, as far as possible, that it will yield results making for significant advances in the development of the common transport policy. The sixteen proposals to which he has referred will of course be taken into consideration on these various occasions.

Ms Clwyd (S). — Would the President-in-Office care to be invited to visit the Severn Bridge, which, as he knows, is a vital link between England and South Wales, an area of very high unemployment which is suffering the same neglect from the British Government as is the Severn Bridge itself and slowly disintegrating? As I know the Minister is very interested in improving such links, I should be delighted to offer him an invitation to see for himself the devastation that ensues from a government whose policies are so detrimental towards the people of South Wales.

(Laughter from the European Democratic benches)

Mr Dumas. — (*FR*) I am grateful for the opportunity to say that I visit Great Britain as often as possible and have very much enjoyed the times that I have spent there. I am therefore happy to take up the invitation extended, in so far as my engagements permit. I am one of those who believe that every effort should be made to save existing bridges before thinking of building new ones.

Lord O'Hagan (ED). — Would the President-in-Office accept from me an invitation to join me on 17 March to open the new extension of the road round Newton Abbot (*laughter*), which has just received a grant under the European Regional Development Fund? Simultaneously, would he take the opportunity to see how Devon and the rest of Britain is prospering under a Conservative Government? I look forward to seeing him then.

(*Laughter*)

Mr Dumas. — (*FR*) I think that I shall have to stop accepting all these invitations, or otherwise the six months of the French Presidency will not be enough. Nevertheless, if it is at all possible, I shall be pleased to accept this second invitation, although I hope, with great regret, that it will be the last.

President. — Ladies and gentlemen, we have a slight problem with Question No 2, the question by Mr Van Minnen, who was not in the House when the proceedings started — we did start, of course, half an hour earlier. If the President-in-Office has no objection, and if no Member in the House has any objection, may we take Mr Van Minnen's question?

(*Cries of 'why'*)

We have done this before when somebody has been held up. I am merely asking. If anyone objects, I cannot, of course, take the question.

Mr Harris (ED). — I am pointing out that the 2.30 p.m. starting time was indicated in the agenda before us this morning.

Mr Van Minnen (S). — (*NL*) I wonder why we suddenly have so defensive a reaction from the Conservative benches, Madam President. Did you not allow a question by Mr Israël to be taken last time even though there had been a formal objection? Does this not mean that dual standards are being applied?

President. — Mr Van Minnen, I must tell you that there have been objections from certain quarters of the House to this proceeding on other occasions. It is not a question of party politics but of procedures of this House. I can take this question if there are no objections, but there have been objections.

Mrs Kellett-Bowman (ED). — Madam President, could I respectfully ask the Chair not to embarrass the

House by putting such a proposal to it when in fact it is not in conformity with the rules or the practice of this House that people who are late should have their questions put. Many people have had their questions disallowed in the past, and it is embarrassing to the House to have to take this stand.

President. — Mrs Kellett-Bowman, I have to act in accordance with the procedures of Parliament, and one of these is Question Time. I feel it is my duty as President to try and get as many questions as possible put to the President-in-Office, regardless of which quarter of the House they come from. I must act in accordance with that spirit. I take your point.

Question No 4, by Mr Israël (H-613/83):

As the Commission stated that the teaching of human rights fell outside the competence of the European Community in its answer to my Question No 285/83 of 14 December 1983¹, can the Council tell Parliament what the precise role of the Council of Education Ministers is, and could it not approach the question of the teaching of human rights from a specifically Community viewpoint without taking refuge behind what the Council of Europe or Unesco can (or cannot) do in this field?

Mr Dumas, President-in-Office of the Council. — (*FR*) I would point out in reply to the question that the roles of the Council and the Ministers for Education meeting in Council were defined in the Resolutions of 6 June 1974 on cooperation in the education field and 9 February 1976 setting up an action programme for education. Any matter of common interest in the educational field can of course be brought before this body, either by virtue of Community competence or in the context of cooperation among Member States.

With more specific reference to the teaching of human rights in the European Community, the importance of this activity is recognized by everyone, but the Member States consider that this matter is already covered to their satisfaction in the Council of Europe. In addition, Unesco has done important work in this field. Consequently, it does not seem necessary to take specific measures at Community level, as already indicated to the Honourable Member who put this question in reply to his Question No 286/83.

I would add, in a personal capacity, that the legitimate persistence displayed by the author of the question is nevertheless consistent with the Presidency's constant concern in this area.

¹ Verbatim report of the proceedings of 14 December 1983, pp. 203-4.

Mr Israël (DEP). — (FR) Do you not think, Minister, that 10 can do better than 21? Do you not think that the European Community can take action without waiting for the endorsement of Cyprus, Malta or Turkey? Do you not think, Minister, that, whereas the legal aspect of human rights is indeed a matter for the Council of Europe, policy on human rights, which is directly related to practical realities, is a matter for the European Community? Otherwise, Minister, what is the good of having your Council of Education Ministers if it does not tackle issues concerned with the teaching of human rights?

Mr Dumas. — (FR) Clearly, it is always likely that 10 can do better than 21, and one could take the countdown further. We consider that the defence of human rights is one of the essential tasks of the Council of Europe, which plays an important role in this field, with which the Ten are associated. The problem of human rights must, as I indicated earlier, be a constant concern, not only in the Council of Europe but also in many other bodies.

Allow me to add one further point. In the field of human rights, the distinction between the legal and political aspects is very difficult to draw, and the Heads of State or Government of the Ten restated their commitment to human rights in the solemn declaration on the European Union. This declaration includes an explicit reference to the European Convention on Human Rights. I would of course agree with the author of the question that each step in this direction gives cause for satisfaction.

Mr Van Minnen (S). — (NL) Human rights also include the rights of the minorities in our Community, and standing up for these human rights must therefore also mean standing up for these minorities, the foreign workers in the Community, for example.

This means that the Council at least should support a decision taken almost unanimously by this Parliament that Turkish workers should be issued with visas for at least a year and allowed to use them a number of times.

How, then, is the Council, under the inspiring leadership of its French President, standing up for the application of this elementary human right in the Community? And before the President-in-Office perhaps spends a good deal of time looking for an answer, he might consult the answers that have been prepared for him to Questions 1 and 2 this afternoon.

President. — I must say to the President-in-Office that this question does go beyond the question put down by Mr Israël and that he is free to answer it or not as he wishes.

Mr Dumas. — (FR) I was certainly under the impression that this supplementary was outside the scope of Mr Israël's question, but I also felt that Mr Van Minnen had found a way of picking up the train that he lost earlier.

(Laughter)

I shall therefore deal with the essentials by informing him of the reply that I had prepared to his question which all but fell by the wayside.

The conditions and procedures for the granting of visas to Turkish workers, since this is what we are really talking about, are within the competence of the Member States. The Council has no call to take initiatives in this field. I would merely add that I am glad to have had an opportunity to answer this question, since it deserved a reply.

President. — Question No 5, by Mr Rogalla, which has been taken over by Mr Gabert (H-259/83):

Can the Council confirm the need to instruct a high-level group of three, five or seven European politicians to submit proposals within one year on how Community controls at the external borders can be made legally and practically effective without delay in the sensitive areas so that the current checks at Community internal frontiers will no longer be required, and when does the Council intend to take steps to this effect?

Mr Dumas, President-in-Office of the Council. — (FR) The Council has never considered the possibility of setting up a group of the type suggested by the Honourable Member. However, the Council also considers that the procedures laid down in the Treaties have proved their worth, particularly in regard to the examination of technical problems, and intends to adhere to them. I would add that all ideas on this subject deserve consideration, but that the suggestion made by the Honourable Member is of course inconsistent with national rules on State security.

Mr Moorhouse (ED). — Checks at Community internal frontiers are a costly matter, as I am sure the President-in-Office of the Council will be aware, in conducting trade between Member States. I have seen estimates of between one billion pounds and ten billion pounds per year — a serious penalty on free trade.

Would the President-in-Office of the Council care to give his own estimate of the cost, either now or at a later date in writing?

Mr Dumas. — (FR) I do not think it necessary, for the time being at least, to provide the figure requested by the Honourable Member. Perhaps we shall find an opportunity to do so on another occasion. We mean to remain on the plane of principles here. I would reiterate that it is not possible in the present circumstances to do without checks at the Community's internal frontiers, and acknowledge that these can be costly procedures. I do not think that we should go so far as to talk of a penalty, but rather of a necessary expense that has to be borne in the light of the current situation and obligations to maintain national security.

Mr Habsburg (PPE). — (FR) Mr President, I should like to take you up on what you have just said. You stated that it was not possible as yet to make any changes in the arrangements for border checks. We have been hearing this for five years now, Mr President, and I should simply like an answer to the following question: Why is this not possible in the Community when, for instance, the United States, which is a very much larger geographical area, is very well able to allow free movement of persons within its frontiers?

Mr Dumas. — (FR) I addressed myself to the question in the terms in which it was put and advised the Honourable Member that it was not possible to abolish checks at the internal borders. I did not refer to changes or improvements. Improvements are always possible. They are arrived at by thought and by assessment of the circumstances.

Mr Gerokostopoulos (PPE). — (GR) The President-in-Office has said that security reasons make it essential to keep the controls in place. On this I would like to ask him if these controls have ever led to the arrest of any individual for breaching the security regulations of his or her own particular country or of the country to which entry is being sought.

Mr Dumas. — (FR) Without wishing to give any specific example, all of us in this Chamber know from experience that border checks are sometimes useful for apprehending or executing international warrants for the arrest of individuals who have committed offences against public order, whether international or national, in their own or other countries.

President. — Question No 6, by Mr Cousté, will be held over to a later part-session.

Question No 7, by Mrs Van Hemeldonck (H-628/83)¹:

In 1983, the Community granted a loan of 600 million ECU to Brazil for the development of an iron-ore mine in Carajas (East Amazon region).

According to Brazilian scientists, the situation in this region is very alarming: tens of thousands of small farmers are being driven out by force, the rights of the Indians are not being respected, the ecological balance of the Amazon forest is being destroyed and national and international land speculators are apparently in control throughout the area. The whole project also involves a very heavy financial burden for Brazil, which is already encumbered with enormous debts.

Is the Council aware of this disturbing situation? What measures has the Council already taken to alter this situation? Does the Council not consider that a team of investigators should be sent to make an on-the-spot study of the situation?

Does the Council not also consider that this Community loan to Brazil should be suspended while there can be no certainty that human rights in this region are being respected?

Mr Dumas, President-in-Office of the Council. — (FR) The Presidency's reply to Mrs Van Hemeldonck's question is in the following terms: Before giving the assent requested by the Commission for the cofinancing of the iron-ore mining project in Carajas, the Council made sure to require the Commission to provide detailed information, not only on the financial, economic and general aspects, but also on the social and environmental protection aspects of the project. This information was supplied.

To the Council's knowledge, the Commission has not relaxed its investigative efforts and has carried out, together with the World Bank, a thorough check on the aspects raised in the question. This has established that a major programme of measures to protect the natural environment is being carried through in parallel with the progress of the works, while a series of measures is being applied for the social protection of the local population.

The Council naturally expects the Commission to continue closely monitoring the social and environmental impact of the project as it proceeds.

Mrs Van Hemeldonck (S). — (NL) I am not very happy with the Council's answer. The Commission was consulted. In the meantime it has initiated an investigation, and I have the impression that the Commission and the Commissioner are beginning to have serious doubts about what we Europeans have let ourselves in for. What struck me in the answer given by the Council representative was that the protection of the environment was mentioned before the protection of the local population. We might perhaps just ask how much thought has been given to the welfare of the local population when the action taken has made a large number of people unemployed and deprived them of their livelihood, while assistance is given to a major financial group which is neither European nor Brazilian.

Mr Dumas. — (FR) This second question actually calls for two answers.

It should be pointed out that the Council's competence in regard to ECSC loans to undertakings is limited, under the terms of Article 54 of the ECSC Treaty, to granting its assent to projects presented by the Commission.

To answer the Honourable Member's question, the Council relied on the information supplied by the Commission, which was also supplied to the House in the Commission's answer to Written Question No 857/83 tabled by the same Honourable Member as this question.

¹ Former oral question without debate (O-109/83), converted into a question for Question Time.

Dumas

With regard to the financial aid, I should point out that, far from providing direct aid, the Community is giving a sort of financial guarantee, so that it is acting as a relay and it is more correct to say that the finance is not being committed directly to this project.

I trust that the Honourable Member will be satisfied with my clarification of these two points.

Mr Provan (ED). — Can I thank Mrs Van Hemeldonck for raising this question, because I think it is a very fundamental point that the Community has really yet to face.

I asked a written question of the Commission on this matter about three months ago, and I should like the President-in-Office, if he could, to describe for us the procedures that are adopted by the Community at the present time in coming to decisions on financial aid where it might appear that certain less well-off countries are going to be exploited, and the local people are going to be exploited as a result. If there are no adequate procedures, could he give us an undertaking that adequate procedures will from now on be put into effect?

Mr Dumas. — (FR) If I may say so, the Honourable Member seems to have adopted the right procedure, and I cannot encourage him too strongly to persevere. Success is not enough to ensure perseverance, as the saying goes. At all events, it is with the Commission that this particular matter should be raised, and I cannot recommend you too strongly to repeat your request. As for the Presidency, it will do everything possible, within its competence and its means, to ensure that your wishes are met.

Mr Denis (COM). — (FR) In addition to the problem raised by Mrs Van Hemeldonck, I should like to point out that at the time of the meetings of the Consultative Assembly and the ACP-EEC Joint Committee I had already brought up the problems of the social implications of the Carajas project as they affect mining cooperation with our ACP partners and as they affect employment in the mining industry in Europe, especially in Lorraine.

I should be most grateful if the Council could tell me whether it has made any progress in its examination of this matter.

Mr Dumas. — (FR) I can only repeat my previous answer, adjusting it to the point raised on this occasion. The Council granted the assent requested by the Commission and under the terms of the Treaty, I repeat, this matter is within the competence of the Commission.

Mr Rogers (S). — I am most disturbed by the Minister's reply to the supplementary question put by Mr Provan. It is not good enough for the Council of Ministers to duck out of their political responsibility

in areas like this, and say it is up to the Commission to decide.

Will the French Presidency look urgently at the terms under which grants and loans are made by the Commission to certain sectors outside Europe? It really is an issue which requires looking at, and I would like the French Presidency to give an assurance that they will look at it.

Mr Dumas. — (FR) At the risk of trying the patience of the House, but in the hope of — perhaps — getting the point across, I repeat that it is not direct loans but financial guarantees that are given on projects of this type.

As for the attitude of the Presidency, I can give the Honourable Member every reassurance that it will be paying the closest attention to this problem and using all its political, legal and moral authority to ensure that the principles to which I have referred are properly applied and respected.

President. — Question No 8, by Mr Lalor, taken over by Mr Cousté (H-559/83):

Would the Council state whether or not it has considered the statement made by Commissioner Tugendhat to the Irish Stock Exchange on Friday, 21 October last, pointing out the benefits of membership of the EMS and urging the United Kingdom to join the EMS, and if so, does it endorse the Commission's call?

Mr Dumas, President-in-Office of the Council. — (FR) I would reply to the Honourable Member, whose lively mind I have seen at work in other places, that it is not for the Council to comment on statements made by a Member of the Commission in a context having no connection with the Council.

Mr Cousté (DEP). — (FR) Nevertheless, the substance of the issue raised is very interesting. The United Kingdom's hoped-for membership of the EMS is not only important but topical and I hope that the President-in-Office of the Council will be kind enough to indicate the intentions of the French Presidency in this respect, bearing in mind that in another place, as he says, he has been moved in his ministerial capacity to declare himself in favour of the United Kingdom's joining the European Monetary System.

Mr Dumas. — (FR) I must make sure, especially in this Chamber, that I in turn do not make the mistake of confusing areas of competence.

As Mr Cousté is well aware, provision was made when the system was first instituted for the eventuality that Member States may choose not to avail themselves of the exchange rate and intervention machinery. It is for the Member States concerned to decide if and when they wish to join.

Dumas

I would add, speaking personally, that the Presidency could not fail to welcome a Member State's decision which made for a strengthening and consolidation of the European Monetary System.

Sir James Scott-Hopkins (ED). — I am sure the President would agree, would he not, that it is much better to leave the decision as to when the United Kingdom joins to the United Kingdom Government to make up their own minds, which I am sure will be soon?

Mr Dumas. — (FR) It would be surprising if I were to reply in the negative.

(Laughter)

President. — Question No 9, by Mr Hutton (H-587/83):

Will the presidency inform Parliament of the specific initiatives it proposes to take in Council to improve relations with Parliament before the European elections of June 1984?

Mr Dumas, President-in-Office of the Council. — (FR) The Council respectfully invites the Honourable Member to refer to the speech outlining its programme delivered by its President to the European Parliament on 18 January 1984.

A commitment was given in the terms of the declaration. Everyone present would be surprised if I were to say that these commitments will not be kept.

Mr Hutton (ED). — While welcoming the President-in-Office to Parliament and thanking him for the small steps forward which he has mentioned to us, I wonder if I could ask him to be a little more forthcoming to Parliament and tell us what steps the Council is planning to take on the reform of the conciliation procedure, which was, after all, promised not merely in the last programme but in the Stuttgart Declaration.

Mr Dumas. — (FR) As a novice in this Chamber, I am gratified to learn that the small steps that I am taking are appreciated by Honourable Members, and I shall take another which I hope will bring me closer to the author of the question.

The French Presidency intends to ensure that the fullest possible information is supplied to the European Parliament, and the President, Mr Claude Cheysson, in the speech to which I referred in my first reply, enumerated the specific points on which this information could be supplemented.

The Presidency also intends to set in train the work on improvement of the conciliation procedure at the earliest possible opportunity. No one will be surprised to hear me add that this will be no easy matter.

President. — Question No 10, by Mr von Hassel (H-632/83):

Having regard to the unremitting efforts of Members of the European Parliament to remove all barriers to transfrontier traffic; whereas the Transport Ministers of the Community have finally agreed to eliminate these barriers within a period of one year; and whereas, nevertheless, one of the most important international traffic routes — at the Brenner highway — is often totally blocked owing to labour disputes involving customs or other control officials stationed there, causing heavy financial and economic losses and considerable personal inconvenience for those forced to wait at the border because of wildcat strikes:

Is the Council prepared to exert pressure on states where labour disputes cause delays of this kind so that, in the case of a strike, they open — or keep open — their borders by removing all border controls?

Mr Dumas, President-in-Office of the Council. — (FR) I can confirm the Council's general position, which is that waiting times at internal border crossings in the Community should be kept down to the minimum necessary to allow proper performance of essential checks and formalities.

As you know, it was in order to act on this principle that the Council adopted Directive No 83/643 concerning arrangements to facilitate formalities and controls applied to the transport of goods between Member States.

This text stipulates in particular that controls should be based on random checks, except in duly justified and therefore exceptional circumstances, and that frontier posts on main routes should remain open continuously for at least ten hours a day from Monday to Friday and six hours on Saturdays.

This Directive, whose reference number I have given, also requires Member States to organize the operating hours of the responsible services and manning levels so as to reduce waiting times affecting traffic flows to the minimum.

May I close by expressing the Council's confidence that the Member States will comply with both the spirit and the letter of this Directive.

Mr von Hassel (EPP). — (DE) Mr President-in-Office of the Council, I think you are avoiding the question. You describe a procedure which is the subject of a Directive of the Council on procedures for frontier checks, whereas my question refers to the fact that a frontier between Austria and Italy, namely the Brenner route, is blocked by striking customs officials.

Hassel

This is a question not of procedure but of the effects of a national dispute between employers and employees leading to strikes and a total stoppage of traffic. Does the President-in-Office not think that a solution should be sought in discussions between the Commission and those countries in which this kind of thing happens regularly, so that the frontier remains open when the frontier officials go on strike? You too probably read reports, which appeared in today's German newspapers at least, that 400 vehicles are again immobilized at the Brenner frontier. It is also a question of procedure — but my questions refer to *strikes* at the frontier.

Mr Dumas. — (*FR*) The Presidency reads the press, including the German press, and can only regret the situation just described by the Honourable Member.

I have no reason to avoid the question; on the contrary, I find that it is perfectly applicable to the situation described, although it may not be the particular case of this situation on the Brenner Pass. The Presidency finds that it is more of a national or bilateral problem affecting Italy and Austria, and at this juncture, as I speak, there can be no basis on which the Council could intervene in the settlement of disputes between Member States' administrations and their personnel. I can only repeat the hope that I expressed earlier: that reference will be made to the Community Directive. The various Member States would find it an excellent source of inspiration when confronted with specific cases such as the one just mentioned.

Mr Habsburg (PPE). — (*FR*) Looking beyond the quite scandalous situation which has prevailed for weeks now on the Brenner Pass, it is nevertheless an undeniable fact that it is Europe's lorry drivers who are currently suffering the greatest hardship from the maintenance of border controls. Would it not be socially justified for this class of traffic — which is currently suffering more severely than any other in Europe — to be granted the relaxations to which it is entitled? Because, otherwise, I have to say in this Chamber that I hope one day to see a revolt by the lorry drivers to sweep away the frontiers.

Mr Dumas. — (*FR*) I thank the last speaker for his continuation of the discussion on this topic, although I cannot subscribe to the terms in which he expressed his point. I do not know whether or not there will one day be a lorry drivers' revolt. Perhaps they in turn will come to regret the passing of the days — those of the Honourable Member's ancestors — when there was no frontier between Austria and Italy.

Mr Marshall (ED). — While sharing his hope that members of the Community would adhere to the spirit and letter of the Directive, may I ask the President-in-Office to use his good offices to ensure that the farmers of his own country do that very thing?

May I ask him to tell them that the actions of a small minority of French farmers have caused a great deal of harm to the spirit of the Community, not only in the United Kingdom but in many other countries as well?

Mr Dumas. — (*FR*) Every infringement of freedom of movement within the Community deserves opprobrium. I must say that the Honourable Member hit the nail on the head when appealing to the authority of the Presidency. I thought that I was doing likewise in my first reply, when pointing to the considerable qualities of the Directive to which I referred. The clarifications that it contains should provide inspiration for the authorities responsible for border controls.

With regard to the reference to the events seen in the recent past in France, I should like to stress that freedom of movement was restored as a result of the action taken by the authorities, with which you will all be familiar.

President. — Question No 11, by Mr Gerokostopoulos (H-637/83):

Although the proposal for a regulation laying down detailed rules for the application of Articles 85 and 86 of the Treaty to maritime transport (COM(81) 423 final) was submitted by the Commission to the Council almost two-and-a-half years ago, no concrete steps have yet been taken towards adopting it.

The proposed regulation should be issued as a matter of urgency, particularly now that Unctad's code on scheduled lines and Regulation No 954/79 have entered into force.

Can the Council explain why there has been a delay of almost two-and-a-half years in adopting the proposed regulation? Can it also state whether it has begun considering the above proposal for a regulation and, if so, can it indicate what progress it has made with the matter so far and suggest a time when it is likely to be adopted?

Mr Dumas, President-in-Office of the Council. — (*FR*) The proposal for a regulation laying down detailed rules for the application of Articles 85 and 86 of the Treaty to maritime transport is currently being examined in depth by the Council bodies.

At its meeting of 20 December 1983, the Council took note of a report from the Presidency on the state of progress of this work, and the Council fully appreciates the importance of this dossier. It intends to pursue and accelerate its deliberations on this subject as soon as possible. However, in order to give a full answer, I should point out that the Council awaits with great interest the opinion of the Parliament, which was consulted on 5 November 1981, at the Commission's proposal. Please accept my assurance that when this opinion is brought forward, it will receive the Council's attention without delay.

Mr Gerokostopoulos (PPE). — *(GR)* I do recognize that Parliament itself, by not having yet given its opinion, is partly responsible for the delay. However, permit me to put a question to the President-in-Office in three parts.

Firstly can he tell us whether, in his view, the ongoing delay under discussion hinders the full application of Articles 85 and 86 of the Treaty to maritime transport, given that this delay is particularly harmful to certain parties in this branch?

Secondly does he accept the view that the 'Conférences' constitute a cartel and thus are in breach of the Treaty's anti-monopoly provisions?

Thirdly, does he approve of the attempt to get the vote on the regulation postponed for five years, as is being suggested — without my wishing to say by whom — and to secure the adoption of an interim regulation exempting maritime transport from these Treaties?

Mr Dumas — *(FR)* The questioner's impatience is understandable. I can only reply — setting myself up, in a manner of speaking, as an upholder of Parliament's rights, for which no one will blame me — that the appropriate course in this case is to await the opinion of the European Parliament so that the Council can then deliberate validly and adopt the proposal put to it. It is only by accelerating the process, but adhering to the procedure, that the Honourable Member's wishes can be met fully.

Mr Pasmazoglou (NI). — *(FR)* I should like to ask the President-in-Office of the Council whether he is aware that it is a serious breach of a fundamental principle, the principle of equal treatment without discrimination, to debar merchant shipping companies from the 'Conférences'. Quite apart from the admittedly regrettable delay in production of the Parliament's opinion, we are therefore discussing a violation of a fundamental Community principle. What action will the President-in-Office be taking to put an end to this unacceptable situation?

Mr Dumas. — *(FR)* I would remind the Honourable Member that competition policy is almost exclusively if not exclusively the province of the Commission, so that I cannot go along with his suggestion, which would entail committing a second breach in order to rectify the first.

Mr Gontikas (PPE). — *(GR)* Allowing that his country, France, has in fact declared an interest in a diverse policy as regards the merchant marine, I would like to ask the President-in-Office whether the French Presidency has tackled the question of applying Articles 82-86 of the Treaty to marine transport, and, if not, to what extent it proposes to do so during its term.

Mr Dumas — *(FR)* The French Presidency is fully aware of the scale of this problem. It is fully prepared to promote action along the line of the Commission's proposal, in the way envisaged in this last supplementary.

Mr Nyborg (DEP). — *(DA)* Unfortunately, our Rules of Procedure do not allow me to offer an explanation. But let me put a question: Is the Council aware that it has taken the Commission three-quarters of a year to answer simple questions from Parliament's rapporteur on matters regarding the application of Articles 85 and 86 to transport by sea — namely, myself?

President. — Question No 12, by Mr Seefeld, taken over by Mr Gabert (H-646/83):

In the event of failure to reach agreement on Community regulations to reduce drastically the level of pollutants emitted by motor vehicles and the lead content of petrol, is the Council prepared to leave it to the discretion of the Member States to take any measures they consider necessary at national level to protect the health of their citizens and flora and fauna?

Mr Dumas, President-in-Office of the Council. — *(FR)* The Council is not in a position at this stage to answer the Honourable Member's question and apologizes to the House for this. The reason is that, in this field also, it awaits proposals from the Commission, this time on the lead content of petrol. However, I hope that it will reassure the Honourable Member to learn that these proposals will probably be forwarded to the Council by next April.

The Council takes the opportunity to remind the House that it has set itself the ultimate target of reducing the amount of lead present in the environment. With regard to the specific case of lead in petrol, it has stated its willingness to seek the greatest possible reduction in the amounts used, possibly leading ultimately to the use of lead-free petrol.

That, ladies and gentlemen, is the situation as it stands at present.

Mr Sherlock (ED). — Mr Dumas, may I say what a pleasure it is to be addressing you for the first time and that I hope that you will continue with success throughout the remainder of the French Presidency.

It is of the greatest importance — as I am sure you will agree — that we reach unanimously environmental decisions on the air we breathe, the water we drink and the waters in which we swim, in this great company of Ten. How, therefore, can we resolve this difficulty which seems to have arisen with regard to the wind that bloweth where it listeth, taking the fumes of lead wherever they may go, and the danger

Sherlock

for the competition policy between the only four great motor manufacturers of this European continent?

Mr Dumas. — (*FR*) I shall assuredly be visiting the House, which it is my honour to address today, as often as possible, and shall welcome the opportunity to breathe the air of Strasbourg, which I find superior in various respects to the air we breathe in Paris.

Let me return therefore, following this further kind invitation, to the supplementary that has been put. It is impossible at this stage to anticipate the Council's attitude to the proposals that the Commission will be forwarding by April 1984 at the latest, as I have already said, although I hope that we shall have an appropriate solution within a reasonable time.

Nevertheless, it can be mentioned as of now that, when an interim report was presented at the last meeting of the Council, on 16 December 1983, the Member of the Commission responsible for this dossier pointed out that any Community solution dealing with the problem of lead in petrol must neither interfere with intra-Community trade nor contravene the rules on competition. These rules must of course be adhered to, even if it were to prove necessary to arrange a transitional period.

If I may momentarily remove the hat that I am figuratively supposed to be wearing, allow me to add, as an earnest of my interest in this question, that in France I have been personally responsible for the organization of interministerial meetings aimed at hastening a solution to this problem and the adoption of a position such as that which I have just outlined, which would be consistent with the wishes expressed by the Honourable Member.

Mrs Maij-Weggen (PPE). — (*NL*) Perhaps I might ask the President of the Council to take off his Council hat for a moment and to speak as a representative of the people, because the announcement by the Netherlands and Germany that they may insist on the sale of lead-free petrol before 1986 has something to do with the impression that France is not willing to cooperate in finding an early solution to this problem. Nor is the United Kingdom or, rumour has it, Italy. My question is this: If the Netherlands, Germany and Belgium decide on lead-free petrol from 1986 onwards, will France follow suit or will it not?

I think this is a far more interesting question, and I should therefore like to see the President taking off his hat once again.

Mr Dumas. — (*FR*) Allow me to say that I do not hope that the exception will become the rule and, although I have removed my official hat once, I have no intention of doing so throughout the debate. Nevertheless, the position that I expressed on my own account and in my capacity as a national minister remains as stated. But until such time as we have

reached agreement on new Community regulations, the regulations currently in force are those contained in the 1978 directive, the provisions of which will of course be familiar to you, bearing in mind your areas of competence.

President. — Question No 13, by Sir James Scott-Hopkins (H-654/83):

Does the Council intend to make financial aid under Lomé III dependent on the agreement by the governments of beneficiary countries to conform to certain minimum standards of human rights? If so, what are these minimum standards? If not, why not?

Mr Dumas, President-in-Office of the Council. — (*FR*) As already stated in its replies to Question No 726/83 from Mr Vernimmen and Question No 474/83 from Mr Israël, the Council, whose position on this matter at least is well established, considers that respect for human dignity, as defined in the Universal Declaration on Human Rights, the European Convention and the African Human Rights Charter, is to be regarded as an objective from which development derives its full importance and significance.

This was the general framework within which the Council authorized the Commission to negotiate a formal reference to this objective in the next Convention between the Community and the ACP States.

That said, it would seem inappropriate at this stage of the negotiations to prejudge the formal solutions that are going to be adopted on this point.

Sir James Scott-Hopkins (ED). — I must thank the Minister for going as far as he has in his reply, which is a great advance on a previous answer by a previous Minister to the same question, about five years ago.

Will he accept that it is important that those countries who receive financial aid through the Lomé Agreement should, in point of fact, really accept the minimum standards of human rights? Does he not agree that formal requests from the Commission are not really sufficient and that he has really got to lay it out quite clearly on the line exactly what the criteria are when the Commission is negotiating, so that it is quite clearly understood by us and by the recipient countries exactly what he means and the Council and this Parliament means by the acceptance of and adherence to minimum standards of human rights in these countries?

Mr Dumas. — (*FR*) Then I am glad at the progress that has been made in five years.

At its meeting of 18 July 1983, the Council agreed to include in the negotiating brief an express reference to the respect of human dignity. So this is not a superficial formality but a specific brief.

Mr Israël (DEP). — (FR) Is it not the case, Minister, that the objection being made by our ACP colleagues is that human rights have nothing to do with a convention dealing with economic matters?

In case you are unable, Minister, to have this reference to human rights included, are you considering making a proposal to our colleagues for the setting-up of a body, independent of the Lomé Convention, to review the human rights situation in all the countries concerned, perhaps on the lines of the Helsinki model?

Mr Dumas. — (FR) I think it right to say at this stage of the negotiations with the ACP States that it is appropriate to await their outcome, in the light of which we shall be in a position to judge the desirability of one or other type of initiative when the time comes. The initiative suggested by the Honourable Member is one of a number of possibilities but, I repeat, it is appropriate in all respects to await the outcome of the current negotiations. Any other attitude would, as you will appreciate, be improper.

President. — We turn now to the questions addressed to the Foreign Ministers.

As the author is not present, Question No 26 will be answered in writing.¹

Question No 27, by Mr Protopapadakis (H-567/83):

In view of the sinking of the *SS Antigone* in the Gulf on Monday, 21 November 1983, have the Foreign Ministers of the EC Member States meeting in political cooperation reconsidered what further can be done by the Community and its Member States to help bring about the cessation of hostilities between Iran and Iraq, and to ensure the security of navigation rights for Community shipping in the Gulf of Arabia, so that the lives of Community crews working there are not endangered?

Mr Dumas, President-in-Office of the Foreign Ministers. — (FR) The Honourable Member's question gives me an opportunity to remind the House that the Ten have expressed their deep concern about the conflict between Iran and Iraq on numerous occasions since the outbreak of hostilities.

They have similarly expressed their disquiet at the danger that this conflict represents to peace and security throughout the region.

They have similarly expressed their regret that none of the peace initiatives launched hitherto has succeeded in bringing the fighting to an end and that their appeal for the cessation of all military operations, withdrawal of troops to the internationally recognized frontiers and negotiation of a just and honourable settlement gone which would be in keeping with the Security Council's resolution and acceptable to the parties concerned has as yet gone unheard.

They have stated on numerous occasions that they are prepared to assist in whatever ways they can in efforts to bring about a solution to the conflict.

Finally, they are maintaining a close watch on developments in this unhappy conflict and on security and shipping conditions in the Gulf.

The war between Iran and Iraq, in which, it goes without saying, the Ten have been and will remain neutral, must come to an end, but this result can be achieved by a ceasefire, withdrawal by both belligerents behind internationally recognized frontiers and a negotiated settlement.

Security Council Resolution 540 is potentially the starting-point of a process leading to peace. That is the hope expressed by the Presidency.

Mr Protopapadakis (PPE). — (GR) The Iran-Iraq war does, of course, harbour grievous implications not just for the region but for mankind as a whole. There is, however, something which is linked to the affair I have referred to, but which falls outside the general context of that war. I would like to turn our attention more towards the case of those seamen who came near to losing their lives when the *Antigone* was sunk. Happily there were no victims in this instance, so unlike her ancient namesake the modern *Antigone* did not cause us tears and sorrow. However, the Community must recognize that a large part of its maritime transport needs are catered for by Greek ships, by Greek seamen who see their work more as a mission than as a profession — that is to say, they are more concerned with the general importance of their work than with financial reward.

Leaving aside the fact that we have a human obligation to these seamen, this ought to win the Community's attention and affection, because if these heroes stop working with the pure zeal which they show at present there will not be anybody who is prepared to go to dangerous places like the Gulf, and this will be a severe blow for Europe.

I therefore ask the Minister whether, in dealing with the issue of the Iran-Iraq war, he has done anything about this human aspect of the matter.

Mr Dumas. — (FR) I reply all the more readily in that the Presidency is aware of the anxiety that can arise from the situation in the Gulf just described. The tragic episode of the *SS Antigone* saddened us all. It is for this reason that the Presidency is showing, through its hope that Resolution 540 will be supported, that it wants freedom of shipping in the Gulf to be observed. By the same token, the Presidency regrets the escalation of verbal hostilities and lack of progress in the negotiations, since it is difficult to see the episodes referred to as being separate from the state of war and the hostilities between Iran and Iraq, which are the direct cause of this situation.

¹ See Annex I of 15 February 1984.

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To add one further detail, I would indicate that the political cooperation group on the Middle East will be meeting tomorrow in Paris, where it will be exchanging views on the situation in this region.

Mr Purvis (ED). — I wonder if the President-in-Office feels the supply of arms by any one Member State to any one of the belligerents can do anything to enhance the likelihood of the Community playing a useful mediatory role in bringing this unfortunate conflict to a peaceful conclusion?

Mr Dumas. — (FR) The Presidency can but hope that there will be more initiatives aimed at restoring peace in this sadly troubled part of the world. If the Honourable Member thinks that certain Member States are better placed than others to perform this role, the Presidency would have no objections, far from it.

President. — Question No 28, by Mr Paisley (H-586/83):

When last was an effective system of extradition, which would operate throughout the Community, discussed by the Foreign Ministers, and what progress has been made?

Mr Dumas, President-in-Office of the Foreign Ministers. — (FR) May I advise Mr Paisley that the subject raised in his question has not been discussed in the framework of European political cooperation? However, the ten Ministers of Justice have debated it quite recently.

Mr Paisley (NI). — May I urge upon the President-in-Office the necessity of looking very carefully at this question? I am sure he is aware of the frightful massacre that took place recently in a Protestant church in Northern Ireland where three elders were killed. Those responsible fled into the Irish Republic, and the authorities know the name of one of them.

At the moment, according to the police in Northern Ireland, there are 600 people in the Irish Republic wanted for serious terrorist crimes in Northern Ireland; 105 extradition warrants have been issued, and only one of them has been successful. So I am sure he will appreciate, under these circumstances, that there is a need for an overall effective convention to suppress terrorism throughout the ten Member States.

Mr Dumas. — (FR) News and details of events such as that just described by the Honourable Member are always received by the Presidency with abhorrence and dismay. I would remind the House that on 25 October 1982, at the conference of the Ministers of Justice of the Member States of the Community held in Luxembourg, my friend Mr Robert Badinter, Garde

des Sceaux, put forward French proposals on European penal cooperation. These proposals, it will be remembered, include a draft extradition convention covering all types of offence. Unfortunately, they did not meet with the approval of a majority of the delegations and the Danish Presidency invited the delegations present to give further consideration to this matter. Since then, the Garde des Sceaux, the French Minister of Justice, has engaged in bilateral exchanges of views with several of his European counterparts but, it would seem, little progress has been made, and this gives the Presidency cause for regret over the situation regarding this problem.

Mr Balfe (S). — Will the Minister pursue the efforts he has outlined to keep this issue under review and also pursue efforts to get Member States to ratify the European Convention on the transfer of sentenced prisoners which was recently adopted by the Council of Europe?

Mr Dumas. — (FR) The Presidency would like this problem to be examined in the context that I have just described; I can confirm that the bilateral exchanges are continuing, and it is to be hoped that they will one day lead on to a Community discussion to meet the demands of the situation.

Mr Provan. — Minister, in the light of enlargement — and everybody is interested in enlargement at the present time — can we be given an assurance that this question of extradition will be discussed with the Spanish authorities during the enlargement negotiations?

Mr Dumas. — (FR) Extradition is a matter for bilateral arrangements, until further notice. There can therefore be no question in the present circumstances of proposing that it be brought into discussions concerned with enlargement.

President. — Question No 29, by Mr Habsburg (H-590/83):

In view of the manifest favouritism shown by the Soviet Union to Jean-Baptiste Doumeng and his Interagra company in exports of Community foodstuffs to the USSR, are the Foreign Ministers meeting in political cooperation prepared to inform Moscow that the Community cannot tolerate this new form of interference in the long run, and might even be obliged to take appropriate steps to prevent what is clearly politically-motivated distortion of competition?

Mr Dumas, President-in-Office of the Foreign Ministers. — (FR) The Presidency finds that, both in its formulation and its implications, this question is outside the scope of European political cooperation.

Mr Habsburg (PPE). — (FR) Mr President, may I draw your attention to the fact that I originally put this question to the Council and was advised that it was a political cooperation matter. For heaven's sake, cannot these questions of competence be sorted out, because this is not the first time that we have been told that a given person does not have competence and been passed on to someone else. This is no answer, Mr President!

Mr Dumas. — (FR) May I tell Mr Habsburg that his tribulations are soon to be at an end. If I consider that this matter is outside the scope of European political cooperation and if others have expressed the view that it is outside the Council's province, it must be obvious, in my submission, that competence lies with the Commission.

(Laughter)

Mr Marshall (ED). — Can I suggest that the answer to this problem is to stop the exports of subsidized butter and other foodstuffs to Russia? They are unacceptable to the vast majority of Community citizens and, it seems, create administrative problems as well.

Mr Dumas. — (FR) I find that this is not really a question but rather an open suggestion to all parties involved in Community life.

President. — If Mr Habsburg does put this question to the Commission, then Mr Marshall should be able to put his supplementary to the Commission too. That might resolve that problem.

Question No 30, by Sir Peter Vanneck (H-593/83):

Will the Presidency place the protection of the Community's oil supplies on the agenda of political cooperation, in the light of continuing conflict in the Gulf?

Mr Dumas, President-in-Office of the Foreign Ministers. — (FR) The Ten do not at present intend to discuss this subject in the context of European political cooperation. My words were chosen carefully, and I repeat: not at present.

Sir Peter Vanneck (ED). — I hope that, as the Presidency remarked in answer to Mr Protopapadakis' question, this group meeting tomorrow in Paris will address itself to the question, because it is well known, I am sure, to the Presidency that the present scale of warfare is escalating. At the moment we only have renewed artillery bombardment. However, even if the President-in-Office, wearing his other hat as he occasionally does, does not sell Exocets to Iraq, there may nevertheless be an exchange of rockets, and we in Western Europe are extremely concerned about the security of oil supplies from the Middle East. The President-in-Office will be aware that there is a Saudi stockpile — I quote from *Le Monde* of 20 January: 'a floating stockpile of between 25 and 30 million

tonnes of oil'. He will also be aware that its only protection is the American Seventh Fleet and a couple of British destroyers, though I do understand that the French have deployed some units from Djibouti.

Will the President-in-Office please bring up this matter, because we are immensely concerned about the security of oil supplies and, I venture to say, the security afloat of the Saudi Arabian stockpile of some 25 or 30 million tonnes of oil which might be vital to Western Europe.

Mr Dumas. — (FR) The group which, as I have said, will be meeting tomorrow in Paris will be engaged essentially in an exchange of views on the situation in this region of the world. Manifestly, the problems to which the Honourable Member has referred will be central to these discussions and exchanges. The political situation cannot be examined in isolation from such factors as the presence of the Seventh Fleet, the conflict itself, the resultant escalation in verbal exchanges, or the problem presented by the oil stockpiles. For its part, the Presidency will be taking steps through its close contacts to ensure that these problems are raised in the context that I have described.

Mr Purvis (ED). — I was amazed that the President-in-Office should say that he did not feel that this was a problem that the Foreign Ministers meeting in political cooperation should consider, and I am glad that, at least, it is going to be discussed tomorrow. The supply of 40 % of our energy requirements is surely of the greatest importance. If the Foreign Ministers are not able to do something to ensure that this is safeguarded for the future, they are falling down in their duty. Could I have an absolute assurance that they will develop contingency plans to deal with any likely possibility or eventuality that could arise in the Gulf?

Mr Dumas. — (FR) I must have failed to make myself clear. I never stated that such a problem was not a matter for political cooperation. I thought I said — but perhaps I expressed myself inadequately — that hitherto the matter had not been discussed at meetings but that it would be tomorrow. And I thought that I had filled in this information by adding that the more specific problems raised would of course be very much under discussion at these meetings, since it would be difficult to examine the political situation in the Gulf area and surrounding countries in isolation from other aspects, to confine discussions to the conflict between Iran and Iraq, without taking in the related economic problems and in particular the problem — which I agree is very worrying — of the West's oil supplies.

Mr Balfe (S). — Two speakers have mentioned the threat to Community oil supplies posed by the sale of weapons by one Member State to the Government of

Balfe

Iraq. Will the President-in-Office also note that another Member State, namely Great Britain, has entered into an agreement with Iran to supply Ayatollah Khomeini with weapons?

Mr Dumas. — (FR) Far be it from me, speaking on behalf of the Presidency, to respond to this temptation to cast a stone against any government. On this subject, unfortunately, I would not have enough stones for all the targets and, if the Presidency must express a point of view, it is that it would be more a question of which governments do not deliver arms to belligerents.

President. — Question No 31, by Mr Van Minnen (H-614/83):

Following the application by Mr Jonathon Bloch, of 87, Windus Road, London, N 16, for permanent residency in the UK, have the governments of the Member States of the Community been consulted? If so, on what grounds?

Mr Dumas, President-in-Office of the Foreign Ministers. — (FR) May I point out that questions concerned with immigration are within the competence of the national authorities in each Member State of the Community. They cannot therefore be discussed in the framework of European political cooperation, however much one may regret this.

Mr Van Minnen (S). — My question was about consultations, and I do not see why consultations should not be possible within the framework of political cooperation. My supplementary question is whether this is not symptomatic of the behaviour of the British Government, because today we read in the newspapers that the British Government is refusing access to the United Kingdom to some representatives of peace movements from Eastern Europe, and therefore my question is whether the President-in-Office believes that these manifestations of what one might call splendid isolation are in accordance with the lip-service paid by that same government to the European spirit.

Mr Dumas. — (FR) The splendid isolation referred to unfortunately still prevails in the legal sphere, and the matter raised by the Honourable Member is quite clearly one over which Member States have sovereign jurisdiction. The Presidency has no intention of exceeding its powers and its competence to interfere with Britain's sovereignty.

Mr Moreland (ED). — I am sure many Members would be intrigued to know who is Mr Bloch.

(Laughter)

Does the President-in-Office not agree that it would be totally ludicrous to follow the suggestion of Mr Van Minnen that there should be consultations between Member States — indeed, in the process of political

cooperation — when anyone wishes to make an application for residency in a Member State. The offices of the Political Cooperation staff would be flooded out.

Mr Dumas. — (FR) With your leave, Madam President, I can, without departing from the principle just stated, satisfy the curiosity of the Honourable Member who has asked a further question on this subject.

Apparently, the person in question was a student in the United Kingdom from 1976 to 1978 and has since been a refugee in that country. He is a South African citizen and is said to have attracted the attention of the British authorities when he published a book on that Member State's intelligence service in 1983. This book was deemed to be likely to damage the United Kingdom's policy and to put certain of its diplomatic and intelligence staff in danger. This is the background against which London decided, under the provisions of the 1971 Immigration Act, that his residence permit would not be renewed beyond 22 December 1984.

In the interests, once again, of completeness, and to do full justice to the question put to me, I would add that he has appealed against this decision and the matter will shortly be coming before the Immigration Appeals Adjudicator.

President. — As the author is not present, Question No 32 will be answered in writing.¹

Question No 33, by Mr Ephremidis (H-414/83):

The bloodthirsty Chilean junta continues to react with violence — through arrests and assassinations — to the intense desire of the people to drive it from government. On the basis of the charges made alone, the crimes of the Pinochet junta during the dictatorship are to be measured in terms of thousands of dead and missing persons.

Could the Foreign Ministers state what economic and political action they propose to take, in addition to the verbal protests made to the Chilean junta, to bring about the downfall of this bloody régime?

Mr Dumas, President-in-Office of the Foreign Ministers. — (FR) The question from Mr Ephremidis is concerned with the régime in Chile. The Governments of the Member States of the European Community are deeply concerned at the political situation prevailing in that country. As the year 1983 showed, dialogue has broken down between the Chilean Government and the democratic opposition. When there have been demonstrations, the Chilean Government has once again been employing force to put them down. The Ten have on many occasions drawn the attention of the international community to the need for Chile to make a rapid return to democratic government and respect for human rights.

¹ See Annex I of 15 February 1984.

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The Ten are determined to take every available and useful opportunity to pursue their efforts aimed at the restoration of democracy and respect for human rights in Chile. However, they are not in favour of the application of economic sanctions against Chile, given the lack of international agreement on this point.

Mr Ephremidis (COM). — *(GR)* I fully recognize that the Ten are doing something, but why, up till now, has this not taken the form of political action or economic sanctions? This is something the Community has already made a practice of. We all know very well that in other instances the Council and Parliament approve economic sanctions at the drop of a hat. Ought not this omission to be put right so as to help the Chilean people find release from this tragic state of affairs?

Mr Dumas. — *(FR)* I grant that one may regret that the action in this sphere and the initiatives on the Chile problem have not been more spectacular. I would nevertheless point out that the initiatives taken by the Ten have had their effects, even though these effects may be considered insufficient. Indeed, they have been followed up by a large number of bilateral approaches.

We are ingenuous enough to think that the declaration by the Ten may have prompted the international community to reiterate its concern at the deterioration in the human rights situation and the subversion of the legal, democratic and traditional order in Chile, a country with a most honourable democratic past.

Finally, the Political Committee will be maintaining a constant watch on developments in Chile and the Presidency will be using all means at its disposal to take every opportunity to demonstrate its concern at the record, which becomes bleaker by the day.

In this connection, I can quote the record for 1983, according to the Human Rights Commission: 437 cases of torture, 130 cases of exile, 14 500 arrests. With a record like that, one cannot of course be other than critical, as the Honourable Member has been. We should therefore redouble our efforts and display even greater vigilance.

Miss Hooper (ED). — Would the President-in-Office not agree that it is not helpful to a peaceful return to democracy in Chile to use the emotive language which has been used in this question, and would it not be more helpful to acknowledge the improvements which have taken place over the last few years in the operation of the régime in Chile? If we wish to see a peaceful return to democracy, which I am sure we all do at the first possible date, would it not be better to encourage the present régime to change as quickly as possible by exerting gentle pressure rather

than treating it in the tone of the question which has been put?

(Mixed reactions)

Mr Dumas. — *(FR)* In my view, we are all free to make our own judgment as to the best ways and means of bringing about the result that we all want to see, the restoration of democracy in Chile. As for the Presidency, I think that I have stated its view of this matter very clearly.

Mr Habsburg (PPE). — *(FR)* Do you not also agree, Minister, that experience has shown that, when we want to achieve an aim, economic sanctions unfortunately serve no purpose?

Mr Dumas. — *(FR)* That is exactly what I was saying, although I did not see fit in this Chamber to refer to the many past instances which bear out what the Honourable Member says.

Mrs Van Den Heuvel (S). — *(NL)* Perhaps the President of the Foreign Ministers would also like to say whether this applies to Poland and the war over the Falkland Islands.

Mr Dumas. — *(FR)* The Presidency can only hope to see the restoration of free democratic processes wherever in the world they have been suspended, whatever the particular circumstances.

Mr Psemazoglou (NI). — *(FR)* Does the President-in-Office accept that a distinction is to be made between the sanctions to be applied and the inevitable repercussions of unilateral action decided upon by a minority which jeopardizes both the independence and legal status of a country which is a member of the international community?

Mr Dumas. — *(FR)* The Presidency considers, as a general principle, that democracy knows no limits.

Mr Israël (DEP). — *(FR)* Would you not agree, Minister, that it would be appropriate for your analysis of the situation in Chile to take into account the fact that the European Parliament's rapporteur was refused entry to that country?

Mr Dumas. — *(FR)* That was regrettable and I should perhaps remind the House that we protested strongly at the time.

President. — The first part of Question Time is closed.¹

I thank the Minister for his answers to the House today.

(Applause)

¹ See Annex I of 15 February 1984.

6. *European Union*

President. — The next item is the continuation of the debate on the Spinelli report (Doc. 1-1200/83).

Mr C. Jackson (ED). — Madam President, in the United States 14 February, St Valentine's Day, is remembered for a famous Mafia massacre. May I start by expressing the hope that as the European Community has in the past had more than its fair share of massacres, we may be able to mark today with the St Valentine's Day Treaty for the countries of Europe?

First of all, I want to say how grateful I am to Mr Spinelli, who has had the vision to push and lead and cajole us to this day when we consider a draft of quite exceptional importance. The Community is in a state of crisis, greater than at any time since 1965, when France expressed its distaste for linked proposals to increase the powers of this Parliament and raise revenue by withdrawing from active participation in the Community. Members will recall that this policy of the 'empty chair' led directly to the Luxembourg Protocol, which contained, though only expressed by France and disavowed by the other five Members, the idea of the veto. Well, it would be facile to blame all the adverse effects of this idea on General de Gaulle, who, in fact, believed that the veto would only be used once or twice a year. Nevertheless, the opportunity thus presented was taken up enthusiastically and used by those who did not approve of it at the time.

However, not all the blocks were caused by the Luxembourg vetoes — some are written into the Treaties themselves, which demand unanimity for certain actions. But the end result has been increasingly clear. As the Community has enlarged, the consensus-seeking mechanism has proved an almost fatal block to progress. There have been many past institutional initiatives to try to deal with this: the report of our former colleague Mr Leo Tindemans, who when Prime Minister of Belgium produced the Tindemans report, is one of the most distinguished examples. More recently as we heard today, the Genscher-Colombo initiative was weakened by the bureaucrats of the Member States to the point that it became merely a hollow shell.

Institutional reform, then, is a well-worn path and equally well-littered with past failures. But this dismal record only highlights the importance of Parliament's current initiative, for this Treaty, which is no sudden effusion but the result of several years' work and several detailed considerations by this Parliament. It is a thought-through document finely drafted by distinguished legal experts which brings together the compromise achieved by us as the elected representatives of the peoples of the European Community.

But when we have done with it today, it goes to the national parliaments of the Member States. We all know that some of these parliaments will be more

reluctant than others even to consider it. The British Parliament, I dare say, will be one such. My colleague Mr Newton-Dunn earlier today gave the House a telling list of initiatives which Britain has been slow to join. I hope that this time we shall get over our backwardness.

However, even after amendment today many of us, including myself, will not agree with all the treaty. Nevertheless, it remains a document of the first importance, the major initiative and indeed the testament of this Parliament. I would say that any national parliament which does not examine it seriously puts its head in the sand. I go further: every parliament and every government owes its electors and its citizens a careful and positive examination of the text with the aim of agreement or improvement.

We pass, of course, to the next Parliament the task of negotiating the text forward. But no one should be in any doubt at all that this document holds the possibility of the greatest advance the Community has seen for many years. There will be many, particularly among the civil servants of the Member States, who will argue for no further action so that this initiative can gather dust along with the others. The risks of this are obvious. But the danger which can be illustrated from any history book is that if the Community does not advance, the Community will decay. One paradox is that certain advances may make matters worse. Enlargement to include Spain and Portugal only increases the risk of stagnation by introducing two more members each with a veto. We certainly want Spain and Portugal to join, but that is yet another reason for speed in providing a new constitution for the Community.

Madam President, who can doubt that today the Community is in a state of — to borrow the phrase from the Coal and Steel Treaty — 'manifest crisis'? Our citizens know well, and opinion polls tell us, that the Community is not working effectively. What is the use of this much-vaunted economic unit — in many respects the most powerful economic unit on earth — if it cannot literally deliver the goods? After 25 years we still have only a half-completed common market which is daily subjected to the imaginative whims of national ministers who can dream up new non-tariff barriers, whether health checks on milk or hormone tests on lamb. So the economic message — and how well it was put to us by Professors Albert and Ball! — could not be clearer. By leaving the common market in goods and services and capital incomplete, we annually deprive each family in the Community of a considerable sum of money. Furthermore, we weaken our competitive position in the world, and by doing that we deprive our unemployed of jobs. The Community of Ten today is like ten men sitting on top of a gold mine arguing about it rather than getting on with the job.

Jackson

There is also the political message which comes over from the USA: there are signs there of increasing reluctance to bear so much of the cost of defending a wealthy but divided Europe. So the challenge to us is get our act together. The message of history is again obvious: that it is folly to be rich and divided and weak, when we could be rich and united and strong.

At the heart of the treaty is the principle that the Community should only carry out those tasks which are better carried out in common than by Member States individually. As the originator of this proposal in the treaty, I am naturally delighted that it has been accepted. It is perhaps only common sense. If we build our European Union on the minimalist idea of doing as little as is necessary — that is, the things best done together — that will answer the fears of those who suspect the Community will be an ever-enlarging bureaucratic monster.

Finally, the crucial issue of the veto. I have to say that the method of dealing with the veto set down in the treaty does not yet seem quite right. We have to find a better bridge between the suspicions of countries — not only my own — that vital interests will be disregarded and the ideal of majority voting to get the Community on the move. We must get to the stage where majority voting is the rule and unanimity a relatively rare exception. This will, of course, be one of the key areas for discussion with the Member States. The stakes are high. If our effort fails, all Europe will be the poorer.

Madam President, in one of the great books of English literature, *Pilgrim's Progress*, there is a time towards the beginning when the hero, Christian, gets stuck in the Slough of Despond on his way to find the Celestial City: tired, muddy and dispirited. His companion turns back. But he finds the fortitude to continue and after surmounting many difficulties reaches his destination. Perhaps the Community today is in its 'Slough of Despond'. But I believe this treaty offers a way forward which our countries must take seriously. For all my reservations, I shall vote for this treaty and I shall vote for it enthusiastically. And I shall join those who urge the Member State Parliaments to discuss it with us, to improve it and thus, I hope, to create a new constitution for a united Europe.

(Applause)

Mr Kyrkos (COM). — (GR) Madam President, during the previous debate on this matter, we made a point of saying that the proposal for a new institutional framework could not be divorced from the major problems which are paralysing the Community, or from the content of the new policies. Revamping of the institutions is essential, but so also is that of the Treaty of Rome, because this seems to have exhausted its capacity to provide an answer to the question: 'What sort of Europe do we want?' We also voiced

the hope that the Athens Summit would provide an impetus for getting the Community out of the present crisis and for the regeneration of the institutions. As we have all recognized, Athens ended in failure, not for the lack of compromise proposals, but because the common political will was missing.

But the Athens experience throws new light on questions concerning the proposed new structures, on which we have fundamental reservations, first, about jettisoning the principle of unanimity in crucial sectors at a time when a country like Greece is trying to find its balance in the Community set-up; secondly, in particular areas, such as the competence of the Community in respect of conjunctural economic policy, and the prohibition of any form of discrimination between public and private undertakings mentioned under competition policy; and lastly, because for us the issue at the top of the list is the establishment of an effective regional policy, as a central function of the Community, to remove the disparities.

The Communist Party of Greece (interior) has repeatedly proclaimed its warm commitment to the idea of European unity. We are convinced that no country in Europe can cope on its own with the problems posed by the American and Japanese challenge, with the demands of the technological revolution, with the new dimension which modern weapons technology has brought to world relations. We believe that Europe will be able to fulfil its world role only when it has extricated itself from the monumental contradiction to which it is a party: the contradiction, that is, of looking for protection to that superpower which is at the same time its greatest economic and commercial competitor. Only by removing this contradiction will it be possible to establish an autonomous position *vis-à-vis* both the United States and the Soviet Union, to transform the Europe of the Community into a force for peace and balance, into the vehicle of a new attitude towards cooperation with countries of the Third World.

This overall policy conception can, in our opinion, help to nurture the new policies of which the Community has need. In the light of this conception we can see the institutions of Europe taking shape, effective and democratic institutions which will preclude the emergence of power centres and allow social organizations and workers' representatives access to decision-making, thus enabling Europe to become the stage for the convergence and international cohesion which are so necessary.

At all events we think highly of Mr Spinelli's efforts and of his vision of a united Europe. We also see the logic that through institutional changes and a new dynamic we can move on towards great changes in the Community's policies. We support the movement in this direction, but the reservations we hold in them-

Kyrkos

selves prompt a quest for new and more substantial things, for an open dialogue with the national parliaments, the governments and the social organizations, a dialogue which we believe may turn out to be more fruitful. We shall therefore abstain in today's vote, while underlining our tenacious attachment to the prospect of European unity and expressing our reservations about a study based on the institutions. We call on the peoples of Europe to accelerate the move towards European unification by voting in the European elections against the right and its Atlantic orientations, which, for us, constitute the chief hindrance in the search for a European identity.

Mr Gawronski (L). — (IT) Mr President, ladies and gentlemen, I shall not dwell on the importance of today's vote — others have already done that before me. What I am concerned to emphasize is the fact that it does not represent the end of the adventure embarked upon three years ago by the 'Crocodile Club' but is instead the start of the difficult political battle that will have to be won if our ambitious project is to be turned into reality.

The first obstacle that we shall have to overcome is the scepticism of those that consider our initiative as fanciful, and therefore dangerous, wishful thinking. Just as the Community is going through an unprecedented political and financial crisis — say our critics — the European Parliament is wasting time in drawing up a kind of 'Dream Book', embarking on an initiative that can only suffer frustration when it comes into contact with the prosaic political reality of Europe today.

This criticism is, in my view, unfounded. In the first place, the draft treaty that we shall adopt today is not the 'Dream Book' of an impenitent federalist; rather it is a greatly realistic political document that is attempting to provide adequate instruments for the transition from an economic Community in crisis to a political Union that will allow Europe to assume its responsibilities in full.

If the majority of the national parliaments decide to ratify the treaty that we are adopting today, the European Union that it institutes will not in fact have, to start with, very much wider powers and responsibilities than those of the present Community. It will, however, be equipped with the institutional instruments to broaden those powers and responsibilities progressively.

The treaty that we are proposing is therefore no flight of fancy, but is the necessary instrument to allow European integration to proceed speedily and without delay, overcoming the present difficulties.

We cannot conceal from ourselves, however, that the political battle awaiting us will be very hard, but we must at least be aware — I think — of the importance of the task awaiting us.

Our parliament has not received any explicit mandate to attempt to provide a constitution for the Europe of tomorrow, just as the States General had no mandate for drawing up the declaration of citizen's rights that opened up the road to democracy for our continent two centuries ago.

By adopting today the draft treaty establishing the European Union we are not making a revolutionary gesture, ladies and gentlemen; we are only doing our duty, and also giving the next Parliament a *raison d'être*, entrusting to it a task that justifies its election by direct suffrage.

Without this draft, without the hope of reviving our progress towards European integration, it would be very much better to return to the old Parliament, elected in second instance, without the need to inconvenience, every five years, 200 million citizens, with the election of a useless consultative Assembly.

(Applause)

Mr Pasmazoglou (NI). — (GR) Madam President, ladies and gentlemen, I too want to highlight the part played by the Committee on Institutional Affairs in this initiative, and especially by my friend, Mr Spinelli, and all the other rapporteurs. The preliminary draft treaty establishing a European Union is a momentous initiative, and it must be given a big majority. As the directly elected representatives of the peoples of Europe, we have the right and duty to make it clear with this concrete proposal that we have the determination and political will to get the European Community out of the morass into which it is being led by the timorousness and short-sighted attitudes of many of the European governments.

The general and specific provisions of this preliminary draft treaty make up a unity, the product of experience and of the fruitful exchange of views in the institutions of the Community and especially in our Parliament. It therefore provides a fair basis for the promotion of effective discussions with the political parties, parliaments and governments of the Member States. Many sides have expressed the view that what is needed is a new 'Messina', and we sympathize with this idea, but it cannot possibly act as a starting-point for things; it will be the end product of a fruitful process which will be set firmly in motion if our Parliament gives its approval to the preliminary draft treaty. I want to add that this initiative has wide support in Greece as is shown by the message from a large group of prominent Greeks, of varying political persuasions, which today I had the opportunity of handing to the President of Parliament.

I also think it necessary to emphasize three points of a more specific nature.

Pesmazoglou

First, this preliminary draft treaty bears directly on the rapid solution of the crucial operational problems currently affecting the Community. The solutions which can be applied on these issues are already there for the taking, and there is no justification for further delay; but for these decisions to have durable effect they must be incorporated in the framework of the reforms envisaged in the preliminary draft treaty. For this reason, I sympathize with the objections raised by the Socialist Group, more specifically by Mr Moreau and Mr Glinne, against the dogmatic and binding reference to the market economy in connection with the objectives listed in Article 9 of the draft treaty. The amendment in question must be rejected, although it is a certainty, and widely accepted, that, in the decades to come, private initiative and enterprise will be the main force for progress in our societies, and the market mechanism the safest and most efficient instrument for reducing waste and poor productivity.

Second, the institutional reforms provided for in the draft treaty will have the desired effect to the extent that they link up with the solution of certain of the Community's fundamental problems. The eradication of imbalances in the Community through the implementation of a vigorous regional policy and the integrated Mediterranean programmes is one of these. Tackling these matters is in the interests of all the Member States, not just of the Mediterranean countries. It is essential, that is, for overcoming the economic crisis and for the progress of the Community in general.

Third, a European Union without a common foreign policy and defense strategy is an absurdity. As is rightly pointed out in the draft treaty, the unity of the European peoples can only be built on the basis of organized and active solidarity between the Member States. It is self-evident that this solidarity will be aimed at protecting the sovereign rights of the Member States as these rights and their ramifications are defined in international law. By virtue of its nature and geopolitical position, the Community will have a multi-dimensioned foreign policy. It will develop fruitful relations with all the countries and regions of the world, that is. In the framework of such a European foreign policy, the positions taken by each of our countries will carry greater weight, and their influence will be augmented.

Approval of the preliminary draft treaty will be a step along the road towards that European unity which is the basis for the formulation of a policy on security, peace and disarmament, and for the joint safeguarding of the sovereign rights, democratic freedoms and social progress of our peoples.

In this spirit, and as a representative of the Greek people, I shall vote for the preliminary draft treaty.

IN THE CHAIR: MRS CASSANMAGNAGO CERRETTI

Vice-President

Mr Cingari (S). — (IT) Mr President, ladies and gentlemen, Parliament is about to accomplish a deed of great significance, and it is doing this at a difficult time for Europe. Whilst Parliament is preparing to approve the draft treaty establishing the European Union, not only is Europe's role weaker, but conflicts are emerging within the Community that threaten to cause the Community dangerous injury.

On the one hand there is the treaty, and on the other, the Athens fiasco. Undoubtedly, we are faced with a great contradiction. Some people take this as implying that this present, solemn parliamentary act does no good to the Community and, indeed, generates new causes of conflict, being more conducive to disruption than to unity. I take the opposite view. The very difficulties inherent in the Community process lend emphasis to this initiative of Parliament. The reappearance of internal disputes makes it necessary for political action to nip them in the bud, reversing the negative trend that prevents transition from an Economic Community to a European Union.

Parliament therefore sends out a message and at the same time a warning against resurgent national selfishness. It is aware that the present difficulties have their roots in concrete interests and in a more general crisis that affects the very foundations of European construction but — instead of retreating — it must try to change its system completely.

This change of system is an essential need. The Community is moving too slowly towards political and cultural unification. It is held back by corporate interests, and is deeply divided into strong and weak areas. The Member States act in accordance with a policy of preserving the status quo, whilst yet affirming, each for its own account, their concern to overcome the general crisis. This all accentuates the gap *vis-à-vis* those areas of the world that have undergone and are undergoing rapid modernization, and that are, in fact, the holders of a political and an ideological record. The answer to world competition does not lie in nationalistic protection, nor in the mere defense of existing market shares already acquired. The European spirit must be relaunched, and Parliament cannot evade its part in this if it does not want to run the risk of becoming a mere passive instrument of sectoral interests.

Naturally, preparation of the draft treaty was not easy, nor was it free from differences of view within the Committee on Institutional Affairs — not only because of conflicts of principle, but because of the difficulty of shaping a politically united Europe, linked closely to its own culture, the workings of its

Cingari

own institutions, and its own economic and social structure. The solutions are not always clear, and there is sometimes too much insistent repetition of the liberalistic element at the expense of the planning element.

It is something on which reservations might very properly be felt. But, obviously, the real crucial points will only be settled by competition between the forces that will come into play in the prospective new institutional system.

Then there is the central question of the procedures for putting the treaty into force. There was bitter disagreement between those who considered the draft as a simple working hypothesis, and those who would not propose allowing any Member States that might have been opposed to it, any decisive say in the process of political unification. The question is of decisive importance, and will certainly be contested right up to the time the vote is taken. My view is that the relevant article should be retained; if it were deleted, whilst the proposals of Parliament would still have some value, it would deprive the entire draft of its true significance.

A recent survey in my country of the great events of contemporary history showed that the highest vote of approval — 70 % — went to the European Community, which was thus seen as a highly commendable event. In other countries, the situation is not the same. But, even whilst we can understand resistance and opposition, it is obvious that we cannot turn back, nor can we stand still. The repeated declarations on the need for a new start — the last of them coming from President Mitterrand — must culminate in something concrete — not merely the solution of economic and trade disputes, so dramatically in evidence at Athens. The real step forward is in fact political and institutional. These are the lines along which the European Parliament must act: true, it has few enough powers, but it cannot and must not abdicate its duty to promote and guide.

(Applause from the Socialist benches)

Mr van Aerssen (PPE). — *(DE)* Madam President, ladies and gentlemen. The progress of the debate so far has demonstrated that this is not a normal debate during which we simply discuss the items on the agenda. Today the directly elected European Parliament is taking a courageous step forward and, as it were, opening the gateway to greater democracy for the citizens of Europe. For myself, as representative of my generation — and in the history of my own family as well — this is the first opportunity for me as a member of Parliament to tackle the problems of Europe within an institutional and constitutional framework. I am able to use arguments which were not available to previous generations. This is for me a

very personal experience and I am proud of what we have done.

I should like to say to the few colleagues who have shown any scepticism that in politics the utopias of today have always been the realities of tomorrow. To my colleague Mr Spinelli, whom I congratulate on his incredible pioneering spirit and on what he has said and done, I wish to say that he can depend on the peoples of the European Community. On many points our citizens are more advanced than many politicians think. We know in fact that the public is dissatisfied with certain developments in the European Economic Community. But if one asks any member of the public how he thinks Europe should be constructed or what chance it has, he says quite openly: I am in favour of European unity, I am for the European Union and I know — as many colleagues have said here — that there is no alternative to Europe.

What I welcome in this draft is the fact that once again it draws together the wishes of the public. In my opinion it is an intellectual challenge to the Council. The Council now knows how this Parliament envisages the course of European union, because the draft which we wish to pass today presents a pluralistic solution unlike any known in the history of the world hitherto. This draft is the expression of the pluralistic will of the peoples of Europe and the Council will have to accept this intellectual challenge. The onus is now on the Council to prove whether it will practise what it has always preached. We have given it a chance to react and to act.

It should also be stressed once more that this draft is a pilot project for which there is no precedent. Our predecessor, the European Parliament which was not directly elected, has already drawn up one draft constitution. But today we are deciding on a draft initiated by a directly elected Parliament. This is a pilot project and all our colleagues who are here and those who stand behind them and for whom they are acting as responsible advocates of Europe are working as engineers on this project.

There is no need for me to stress further that the draft quite clearly reinforces the eight traditional functions of Parliament as the advocate of our peoples in our European democracy. The rights of the Commission have also been strengthened. I believe that it too should see this project as a call to it to play its part as a prime mover in the European Community side by side with our Parliament.

With this draft our Parliament has taken the step of being a constitutive assembly for the European Community. We decided not for the way of revolution or the way of stagnation but for the way of evolution. I am certain, Mr Spinelli, that this evolutionary way is the right one.

van Aerssen

My group would like more precision on four points. The fundamental rights must be secured in the European Treaty. We submitted proposals for this. Secondly, and this is very important to us, we want the objective of the magic square to be achieved in economic policy and incorporated in the draft treaty; thirdly, we state once more, and clearly, the form we envisage a financial constitution should take; and fourthly we advocate pluralism of the media in the European Community. It is impossible to imagine a modern Europe without modern widely-based media.

We shall support this draft wholeheartedly and see in it as a pilot project a great challenge to us and to the Council of Ministers as well to create in the coming years the European constitution which we all desire.

(Applause)

Mr Prout (ED). — Madam President, I too would like to congratulate Mr Spinelli on all the hard work he has put in to producing this mammoth report. I would also like to congratulate Mr Ferri, the chairman of the Committee on Institutional Affairs. A brilliant chairman of Parliament's Legal Affairs Committee, he has also proved to be a brilliant chairman of the Committee on Institutional Affairs. Were it not for his perseverance, his dedication and his intelligence, this report would never have seen the light of day.

In my view, Mr Spinelli's great error is to confuse form with substance. He believes that the Community fails to progress because its constitutional arrangements are faulty. I beg to disagree. We fail to progress, not because we lack the constitutional means to do so, but because we lack the political will to do so.

The machinery already exists to federalize decisions. Federalism involves the transfer of power by states to a common authority. Each time the Council of Ministers adopts a regulation, its terms become legally binding on the ten Member States without the intervention of their national parliaments. Moreover, it is the responsibility of the Commission, the Community civil service, to ensure that regulations are uniformly enforced. It is true that the Commission has no army and no police force under its direct control. But then it is no part of Mr Spinelli's thesis that there should be. It is sufficient that national courts in each of the Member States recognize the supremacy of Community law.

It is not the system, therefore, but the lack of motive power which is at fault. Mr Spinelli sees his salvation in majority voting. But majority voting will only work if the states in the minority agree to enforce legislation passed by the majority through their own national law-enforcement systems. Were they prepared to take that step, Mr Spinelli, there would be no need for your treaty, because the current majority voting arrangements in the existing Treaty would provide you with all that you need. It is not the exist-

ence of the Luxembourg compromise but the reasons for its existence that provide the barrier to the progress of the European Community. These can be removed only by a gradual change in the attitude of Member States towards sovereignty.

As an Englishman, I think I am entitled to say that the most successful constitutions develop gradually. We have made great strides in this Parliament in the last four years simply by virtue of one court decision — the isoglucose case. There is much we can do to make the Community work better and create more popular support for it without any new legislation at all. Indeed, I believe that is the best answer to national sovereignty we have. We spend far too much time passing new legislation and far too little time making sure that the substantial body of law that is already on the statute book is properly enforced. Here Parliament and the Commission are both at fault, and they undermine their own political authority by neglecting the question of enforcement.

Madam President, as Mark Twain once said: 'Soap and education may not be as sudden as a massacre, but they are deadlier in the end'.

Mrs Boserup (COM). — *(DA)* Madam President, colleagues, it cannot come as a surprise to anyone at this time of day that I too, as a Danish Member of this Assembly, have to speak against the draft for a European Union treaty put before us. I myself got a surprise today: I was a little taken aback by the very critical speech of my Danish colleague, Mr Eggert Petersen, for it is a fact that Danish Social-Democrat governments have always been very deferential when fine words about union were addressed to the citizens of the Member States. A Social-Democrat foreign minister in December 1981 agreed to the ideas of Messrs Genscher and Colombo being incorporated into the solemn declaration at Stuttgart. Why is what we are dealing with here any worse? I, for my part, think that it is actually better, for it is plain speaking. The lines have been drawn up: you are either for or against. As for those who try to say, 'Yes, on the one hand, we are happy to be members of the Community but, on the other hand, it must not change', do you know what? — They'll get their ears boxed by both sides, and they'll have deserved it.

This treaty is a fine piece of work, and you are to be thanked for it. It is a real verbal sausage-slicing machine. Slice for slice, political decisions are cut from our domestic institutions and transferred to the Union. The way it is to be done is nicely described, but what is to be achieved is less precisely indicated. A special aim of health policy, for example, is to ease conditions for the pharmaceutical industry — as if that were going to help anybody but the shareholders of the pharmaceutical industry. Animals are to be protected. Does that mean that battery chickens and

Boserup

factory calves are to be banned? If so, I would welcome it. There is to be a free information policy. Does that mean the removal of the worst obstacle to a free information policy, namely the demand of capital for profit in this sector too?

In the Socialist People's Party, which has elected me, we mean it seriously when we talk of the extension of democratic rights. We want the decisions to be taken by the people at their places of work and in the local community. We are against centralization, against frameworks decided upon far away, and against harmonizations which are of no use or, what is worse, are damaging. Our fight against Danish membership of the EEC is therefore total and is in conformity with the rest of our policy. We do not, like the Social Democrats, call European union a ghost ship, for we concern ourselves with what is happening here today in this Chamber. The skilful and hard-working committee which produced this piece of work wants to visit the Member States and tell them of its work, and I am sure that it will get a friendly reception from us, and they will be given beer from a returnable bottle and coffee with proper, genuine fresh cream, but they will not get any Danish party to go along with what we have here. Indeed, they dare not. There is to be an election campaign, and the voters are against Union in this and all other guises.

Mr Cecovini (L). — *(IT)* Madam President, ladies and gentlemen, whilst the voting last September on the preliminary draft treaty showed certain minor pockets of resistance, it left no possible doubt as to the determination of the great majority of this Parliament to set in motion, by approving this bill, the historic process that will bring us to the new treaty and the birth of political Europe.

What is needed today is a solemn pronouncement that will constitute, on the eve of the renewal of the legislature, an act of pride and, at the same time, confidence in the legislative role that is the due of a parliament elected by universal suffrage. This Parliament has discharged its duty to the full, assuming — as was expected of it by the electors — the role of Constituent Assembly, and giving to the Europe of the future a profoundly innovative instrument, the fruits of dedicated, intensive labours and wise compromises democratically discussed and agreed.

We are now ready to present this bill to the peoples of Europe, asking for their assent and full participation, without which Europe would have no place as arbiter of its own destiny — which its own potential allows it to be — and as an element of equilibrium in the world, underwriting the peace of everyone.

The more we are united in the face of our electors, the more meaningful will be the electoral debate amongst citizens of Europe for choosing their representatives, who will for the first time be truly judged by genuinely supranational standards of appraisal.

With regard to the differences of opinion that we have had over two different and, to a certain extent opposing amendments to the draft resolution — the Nord-Haagerup amendment and the Spinelli compromise amendment — the Italian section of our group, whilst appreciating the realistic spirit motivating Messrs Nord and Haagerup, voted in favour of the Spinelli amendment. In some quarters, to tell the truth, there was talk of Utopia with regard to the latter amendment, but without a disingenuous Utopia, without courage and defiance, without an element of imagination, what hope should we have, ladies and gentlemen, of creating Europe today, and the United States of Europe tomorrow? Agreement — once again, a compromise — was reached at the last moment between the two aforementioned amendments, which allows us now to vote in a manner that will satisfy the great majority of this Parliament. I think that all true believers in the European ideal cannot fail to be delighted by this result, hoping at the same time that in its final stages, our treaty may meet with the same degree of goodwill and good fortune.

(Applause from the right)

Mr Paisley (NI). — Madam President, this resolution and the report of the Committee on Institutional Affairs on the preliminary draft treaty to establish a European union mark a major step in the process of European integration. The political unity of Europe is an objective which I and those who elected me to this House totally oppose and reject. Through its membership of the EEC as presently constituted, the United Kingdom has already forfeited a great deal of its national sovereignty and independence to act in its vital interests. In many instances laws are determined for the United Kingdom over which the British Parliament at Westminster has no say or influence whatsoever, while decisions of the European Court of Justice are binding on British courts. It is a fundamental characteristic of any nation that it is the master of its own destiny, and any weakening of that principle must be resisted. However, that is not to say that there cannot be normal, sensible cooperation between neighbouring countries and Europe for their mutual benefit. There is no objection in principle to the cooperation that exists in the framework of the Council of Europe and NATO, which is the only safeguard to the lasting security of Western Europe. These organizations should, if anything, be supported and strengthened.

My objection is to cooperation which entails the erosion of the sovereignty of the United Kingdom and its ultimate fusion with the rest of Europe in a European super-state. In such a united state of Europe, the United Kingdom Parliament would become a mere regional authority, exercising less and less real power.

Paisley

The move towards such a situation will be given greater momentum if this House supports the resolution before it today.

I am particularly opposed to the proposal to end the national veto in decision-making after ten years. When the United Kingdom joined the Common Market in 1973, the right to veto proposals was advocated by those who wanted us to join the Common Market, and it was held out by the pro-Marketees that this was a major guarantee of our rights and interests. The same argument was used during the referendum on EEC membership in 1975. Now that argument goes by the board if the rules are going to be changed. Such a manoeuvre I cannot accept, nor, I believe, will a vast majority of the British people accept it.

I also reject the greater increased powers for the European Assembly envisaged by the draft treaty, with the replacement of the Community's present legislative framework by a two-tier system in which Parliament and Council of Ministers would form the two strands of the authority exercising legislative and budgetary powers. I am also concerned at the proposed strengthening of the power of the Commission by comparison with its present powers and the change in the appointments procedure. I totally oppose the explicit recognition that the law of the new union must take precedence over that of Member States and that the Court of Justice should be given greater and wider powers.

For these reasons and many others and because of the overall import of this and consequences of this draft treaty if adopted, I shall be voting against the motion for a resolution before us today.

Mr Cohen (S). — *(NL)* Madam President, listening to Mr Paisley, you might think that preparations were being made for a revolution. He is opposed to everything, and he takes pains to dissociate himself from the draft treaty that Mr Spinelli has submitted to this Parliament. I therefore think it is time to get back to reality.

The reality of the situation is, of course, far from revolutionary. What this Parliament is in the process of doing is, in line with a 30-year tradition, an attempt to give Europe a new structure, the Europe that we all really want to construct. There is nothing really new about what Parliament is doing. We are continuing a tradition marked by the idea of a European defence community, a project for a European political community, in accordance with the ideas of the late President De Gaulle for a political union, the Tindemans report on European Union, and the Genscher-Colombo plan. These have all been attempts to put European cooperation on a better footing.

What we have here is something like historical continuity and, fully aware of this continuity, we are also aware of the frailty of this attempt by Parliament. Because in the final analysis we are not talking about

structures but about political will, political willingness to cooperate and to make changes. This willingness — and this must, of course, never be forgotten — has always been very limited since the process of European construction began. We are inclined to forget this, but, while speaking of the need for majority decisions in the Council and the need to abolish the right of veto, we may from time to time have the impression that such majority decisions are actually taken, but that is not, of course, true. Once they became possible, when the third stage of the transitional period laid down in the Treaty of Rome began, they were made impossible by French action. There have never been majority decisions, and that is an historical fact. That is also an aspect of continuity that we should be aware of and appreciate.

The EEC was already less supranational — to use this word yet again — than the ECSC. The path has always been slippery, leading from more international cooperation to less. This has obviously not been appreciated, I am sorry to say, by those who have spoken here about Mr Spinelli's report in the tone adopted by Mr Cecovini. It has been said that everything is fine and that we must go on down the road advocated by Mr Spinelli. I am not sure. We Dutch Socialists, and I am speaking on their behalf, will be endorsing Mr Spinelli's project. There is no problem there. Of course we shall vote for it, but in the awareness that the essential issue in Europe is not the institutions but a new policy. Institutions cannot be a substitute for a policy. Europe is not failing to make progress because there are no new institutions. Europe is not making progress because there is no policy, because the political will, the political willingness to pursue that policy is lacking. If this willingness existed, it might also be possible to find the institutional course of action that will solve these problems. What we are now doing with this report on the institutional set-up of the European Union is rather like putting the cart before the horse.

None of this is a disaster, Madam President, and that is why we shall be voting for the motion. We are glad about this, and it is due to the Socialist Group that this report did not get bogged down in formalities but also refers to social policy, economic policy and other policy. Otherwise the result would have been far worse than it already is. But we shall vote for it, knowing that in the final analysis other matters are at stake.

Mr Kallias (PPE). — *(GR)* Madam President, ladies and gentlemen, the first directly-elected European Parliament is ending its term with an historic act. It is voting on the draft treaty establishing the European Union. This draft constitutes a decisive move in the evolution of the European Communities and is an important step along the road towards European integration.

Kallias

The main objectives of the Union are known. I will mention just a few of them: the democratic unification of Europe, the strengthening of pluralistic democracy, the total safeguarding of human rights, the establishment of a common foreign policy, the preservation of European civilization and of Europe's cultural identity, the protection of small and medium-size population groups in the world of today and tomorrow against the danger of disappearance, full exploitation of the benefits of a large internal market, countering, on a joint basis, the challenge posed by the powerful industrial countries, as well as the explosive problem of unemployment, gradual eradication of the disparities which exist between the regions of Europe, protection of the environment and the provision of effective support for agriculture. The draft is not perfect, but it is broadly satisfactory and acceptable. I hope that, with the adoption of certain amendments, it will be improved still further.

On a more specific note, the draft is very hesitant on security and defence matters. It does not even make provision for the defence of the Union's territory, and this is absurd. If I have not persisted with my amendment, this is solely due to the fact that I have made my feelings and objections known to the Committee on Institutional Affairs and I would not want there to be a rejection of a proposal on defence, although the question of defence could be regarded as a natural corollary of the definition of the territory of the Union in Article 5 of the draft.

What is more, I think that to allow the designated president of the Commission to appoint its members is going too far, and that the absence of any specific reference concerning the placement of nationals of all of the Member States in all the institutions of the Union is an unjustifiable omission. In addition, the power of Members to initiate legislation must be freed of every restraint, and it should be clearly stipulated that the territory of the Union includes its air space and maritime areas, together with the coastal shelf. In other words, we need to get back to what was said in our resolution of 14 September 1983.

Finally, the provision in Article 82 determining when and with the ratification of how many states the Union may come into being is attributable, perhaps, to the bitter experience of the past, but whatever the case it is precipitate and from the psychological standpoint casts an anticipatory shadow of pessimism over a hopeful and ambitious text. It could also engender the suspicion that it envisages or is designed to provide for a Europe of two speeds.

I believe that the draft treaty, which is very restrained in its expression of our hopes, will be given overwhelming approval by our Parliament. The second elected Parliament, with ideological solidarity and in close collaboration with the national parliaments, will have the historic privilege of transforming the draft

which we have painstakingly prepared and embraced with our vote into a European reality.

Speaking for the New Democracy party, I can say that it and all its Euro-MPs are unreservedly and unequivocally in favour of the European Union.

Mr Faure (L). — (FR) Madam President, ladies and gentlemen, we are parliamentarians. The word parliament comes from the verb *parler*, to speak, and we must speak frankly. We must call a spade a spade. We must not disguise resolute intentions and precise facts behind euphemisms or circumlocutions.

The text on which we are going to vote today is not an act of thanksgiving as we approach the end of our term; it is not a votive offering that we are piously laying to rest in a crypt.

The European Union means political union, and political union of course means a federal structure, in other words the United States of Europe. Like the United States of America? Just so.

Although it is a timid document, it is the birth certificate of the United States of Europe that we can and must authenticate today with our votes. Since I have only a few minutes at my disposal, I shall give just two demonstrations or, if you prefer, two illustrations.

The first is concerned with currency. If economic Europe is to subsist, there must be a common European currency, in the full sense of the term. We have seen enough of the mishaps of monetary compensatory amounts to appreciate that. Only if it has a European currency, with no national fluctuations, will economic Europe be able not only to subsist but to succeed. For fifteen years, economic Europe has dealt with the problems that have presented themselves to it. Others have arisen. Michel Albert and Albert Ball have demonstrated in a splendid report how much non-Europe has to answer for. The Community is slipping into backwardness and balkanization. Only unified effort, based on the federal structure, with its monetary symbol, will enable us to recapture the position that we occupied for so long and still deserve to occupy in technological progress and its concomitant economic development, and in the social progress and improvements which depend on these two factors.

As the currency is the essential fuel of the economy, so a nuclear strike force is the supreme guarantee of security. A proper European defence entity should have a single decision-maker for this ultimate weapon, in other words a President of the United States of Europe. It is unthinkable that control over nuclear weapons should be shared among twelve countries and entrusted to twelve key-holders. It is no less unthinkable that the countries which are most advanced in these technologies, of which my own country is one, should jealously guard a monopoly of them, thereby arrogating to themselves a suzerainty totally out of keeping with the spirit of a community of free and fraternal peoples: *fratres consanguinei*.

Faure

As high technology in industry conditions economic and social well-being, so high technology in armaments conditions diplomatic influence. The future President of the United States of Europe alone, and he alone, will be able to make his voice, our voice, heard, to ensure that Europe's security does not depend on decisions over which it has absolutely no control. He will assume the authority necessary to secure a halt, worldwide, in the senseless arms race and escalation of procurement budgets, to bring about a corresponding boost in the effort of solidarity with the Third World, an effort which, apart from being a moral duty, is the chief means available for defeating the crisis, as is demonstrated in a book published today by the eminent Greek economist Angelos Angelopoulos.

When Victor Hugo spoke of the United States of Europe — Victor Hugo was not a utopian, he was a visionary — he was 130 years ahead of his time. When Jean Monnet founded the Committee for the United States of Europe — Jean Monnet was not a utopian, he was a realist and a doer — he was a quarter of a century ahead of his time. When those men who had helped to build economic Europe — I include Pierre Pflimlin, I include myself, I include Maurice Faure, who had continued to strive, as I had, to complete the establishment of the agricultural common market — when these men spoke of the United States of Europe in 1972, at the time of the referendum, they were perhaps a decade ahead of their time. But when we do so today, we are not ahead of our time: there is still time, but it is none too soon. There is just enough time to ensure that the Parliament which succeeds us will receive from our hands this necessary, comminatory legacy. It is essential that it should see itself as a constituent assembly, since constituent power stems from the people and only from the people.

It will have constitutional power, of course. It is desirable that it should use this power in cooperation, in agreement with the national parliaments and governments as the final amendment states. But it has sole responsibility for maintaining the impetus. The new Parliament must exercise legislative power in the spheres that will be allocated to it: this can be done very easily without infringing the sovereignty of the national parliaments by the simple procedure — described earlier — of allowing a six-month period during which a veto can be exercised, failing which a legislative decision of the European Parliament will be applicable immediately.

As for executive power, it is necessary to go far beyond the laudable efforts of this preliminary draft. But we are necessarily going to do so: we must not content ourselves with restoring majority decision-making, which had been the rule from the outset, but must go so far as to create ministries which will have direct responsibility for national administrations, according to their areas of competence. We must do

this in the case of medical research, so that Europe can get to grips with cancer and the other major diseases. We must do this for the purposes of coordinating policies on health and population, since Europe is aging, in contrast with the trend everywhere else.

We must do this for policies on the environment and the quality of life, where it will not be difficult. We must do this in order to organize efforts to provide young people with their first jobs, for although Europe cannot promise that it will eradicate unemployment, it can promise that, over a five-year period, it will set up a system, which has been called the 'tour of Europe for youth', which will enable each and every young person in Europe to find a job, without which he or she cannot, in the phrase of the eminent philosopher Alain, progress from childhood to adolescence. We must do all these things, but if we do not, we shall fall behind and soon we shall be left with no alternative but to say to ourselves, in the words of a famous character from history and drama, 'Is it so soon so late?'

(Applause)

Mr Alexiadis (NI). — *(GR)* Madam President, with the Spinelli draft we have, yet again, a confusion between what is desirable and what is attainable, between reality and pious aspirations. Once again the conflicts of interest which are paralysing the Community are being blamed on institutional shortcomings. Certainly, the unification of Europe is to be desired, but the only attainable thing, for the time being at least, is improvement of the present framework of cooperation. It is wrong to lay the failure of the Stuttgart and Athens summits at the door of deficiencies in the institutions, even though the very passage of 27 years since they were first set up of itself imposes a need for their reform. What was to blame, and I hope that by now everyone has grasped the fact, was the conflict of interests between the members of the Community which it has proved impossible to resolve. The fact that certain of the partners have obstinately insisted on a part of their contributions to the Community being refunded has certainly not been the fault of the institutions, and nor have they been to blame for the insistence of other partners that the agricultural support régime be preserved as it is.

It would, moreover, be incommodious for a body in the final months of its term to decide on such vitally important issues as the complete overhaul of the Community's institutions, because no matter how necessary this is adjudged to be it should be left to those who are elected by the peoples of Europe between 14 and 17 June. The Spinelli draft could be taken as one of the main issues in the parties' pre-election campaigns. Insistence by the outgoing Parliament on taking decisions in this area could be seen as just a pre-election gimmick.

Alexiadis

In the lead-up to the European elections in June, there is also another unbecoming aspect to which I want to draw your attention. In my country, and perhaps in other countries as well, an attempt is being made to use the elections for the European Parliament as an opportunity for petty inter-party wrangling on internal issues. Not even the most implacable opponents of the European Idea would use such counterfeited tactics, because what has national inter-party rivalry got to do with the crucial period through which the EEC is currently passing? Internal conflicts have a place in national elections only. In the European elections, the people must be asked to give their verdict exclusively on issues which concern Europe, and all sides should stick to this principle.

I am sorry, but for the reasons I have mentioned I shall abstain in the vote on the Spinelli motion. Our British colleague, Mr Welsh, has recounted how, during the First World War, some soldiers, on being exhorted to go over the top by their platoon commander, confined themselves to loud cheers of 'Bravo, Colonel!' — but that is something I would not wish to repeat against a respected colleague.

Mr Rogers (S). — Madam President, I should like to begin by congratulating Mr Spinelli and his co-rapporteurs on presenting this report to Parliament. I would like to say at the outset that my criticisms are not in any way personal criticisms of Mr Spinelli, his co-rapporteurs or members of the committee. That is not surprising, of course, because I was a member of it myself. I certainly respect the beliefs that most of that committee shared in the development of Europe towards European union.

I applaud the fact that there are visionaries — as they would describe themselves — in this Parliament. What I would state, though, is that I believe that they have the wrong visions and they are not the only people in political history to have had the wrong visions. These visions are supposedly embodied in this particular report.

I disagree with the proposals and not only with the proposals that have been put forward but also with the arguments that are behind the proposals. If you examine these arguments as laid out in the explanatory statement, you will see if you approach it objectively — and that is all I ask Members to do — that they are presumptive, assumptive and, indeed, on occasions, arrogant in what they take to themselves.

I also believe, as I have stated before in a previous debate on this issue in this Parliament, that the committee, however worthy the people on the committee were, was badly constituted. The composition of the committee did not take proper account of all the views that could have been expressed on European Union. As a result, on the committee there was a strong federalist majority. Without any doubt at all the committee was in itself, by its constitution and its

make-up, self-fulfilling. It decided it wanted European Union, it wanted to come forward with these proposals and there was very little argument about it. Indeed, when I — at first in isolation, although I was joined later by one or two Danish colleagues — expressed reservations about the proposals that were being made, I was, significantly, described as a devil's advocate. For a certain period I was quite happy to play that role. Indeed, I am quite happy to play it now. But I wish to say that I am an advocate for, I believe, the vast majority of the people of Europe who do not want to be led down this federalist road. The assumption is that we should move on from a European Economic Community to create a super-state that would not only have competences in economic, social and regional fields but now would go further and include security, the common procurement of armaments and issues like this. I do not believe that the majority of the people of Europe want to go down this road. Certainly the majority of the committee are very kind people who have had the wrong vision. As I said, the committee as constituted could not come up with a report other than the one that is presently before us.

I would also like to reject the allegation which is continually made that if you are against Spinelli, you are anti-European. That is the biggest piece of nonsense I have ever heard. It is almost as nonsensical as saying that if you are against the European Economic Community you are anti-European. Indeed, I would argue that the present Community excludes large parts of Europe that are not joined together in an economic union — countries such as Norway, Sweden, Finland and even European Russia which perhaps would have a right to join the Community. I wonder what eyebrows it would raise if the Soviets ever decided that they would like to join the European Community. Presumably, under the terms of these proposals they could actually apply. What appals me most of all are the provisions in Part VI, Article 82, on the ratification of proposals by a majority of countries representing two-thirds of the total population of the Community.

I think that during this process the consultations outlined in paragraph 5 of the explanatory statement were a charade. It would have been far more useful to have had consultations with the national parliaments.

Madam President, I accept that the European Community is in a mess. It needs reforms, but it does not necessarily go down this road of European union. I challenge the British Conservatives to stand up and say what they stand for. And let us see how Mrs Thatcher will smack their bottoms when they get back home if they vote for this Spinelli report! Because if ever there was a nationalist in Europe it is Mrs Thatcher, and if it does not suit big business and big farmers, if it does not support her flag-waving, she is not going to support Europe. She is the most anti-

Rogers

European Member of the British Parliament. I know that because I am there every week listening to her pontificate.

Mr Adonnino (PPE). — *(IT)* Madam President, ladies and gentlemen, the availability of adequate financial resources for achieving the ends that have been laid down is so important that means and ends are reciprocally affected. For this reason the control of financial resources, both from the point of view of their overall quantification and from the point of view of the way they are used, has been one of the main claims of the organs of popular representation within States.

The same problem, although with different aspects, arises in the case of inter-State organizations, especially where they are to some extent supranational in character.

The recurrent crises of the present Community, which show themselves in terms of financial problems, are the most obvious proof of this, the more so if we remember that the quantitative and qualitative aspects are confused with the institutional ones.

That part of the preliminary draft treaty establishing the European Union which defines the future financial structure of the Union is not, therefore, a part of only secondary importance.

The PPE Group approves its underlying principles and the concrete solutions — which are realistic in relation to the present situation — that are adopted. The first principle is that the Union shall be financially independent, with its own funds available that will be managed by its institutions. From this it follows that the Union is competent to decide as to its income, or regarding recourse to the capital market, just as it follows — correctly, in our view — that the revenue determined by means of parameters laid down for multiannual periods should be available, as soon as it is collected, to the Union itself.

The most delicate aspect is undoubtedly that of the sharing of the total financial resources between the Union and Member States. This is important — from the point of view of the correct application of the principle of subsidiarity that underlies the draft treaty — in relation above all to the fact that there is only one source for providing the resources — through taxation — and that the integration of Member States into the Union must not lead to an increase in the burden of taxation.

We are in agreement with the proposed system of multiannual financial programmes, to be put forward by the Commission and adopted with a proper legislative and hence binding procedure, which also lays down the division of responsibility for the implementation of common action and the consequent financial charges, as between Union and Member States; and within the framework of which the cost — and cost-

effectiveness, I would add — of each common action is evaluated. This sharing of responsibilities and resources leads to the necessary consequential transfer of competences and financial resources from Member States to the Union, and makes it possible to respect, without the application of any brakes, the principle of balancing the budget, which is also proposed, and which constitutes a correct use of public resources for common ends that are beyond the reach of private funds.

There must naturally be financial equalization instruments for use where imbalances which are contrary to principle, and are correctly calculated, require measures to restore equilibrium. The budgetary procedure laid down in the draft — and correct policies require correct instruments for their execution, instruments for taking decisions and for exercising control — which makes Parliament and the Council jointly responsible without providing the latter with the means to prevaricate, and respects the need to protect any special interests that Member States may have — above all endorses the principle that, in deciding and checking how public resources are used, Parliament cannot be excluded.

We consider that, in this way, some of the fundamental problems that are holding back the present Community can be resolved, and that the impetus towards greater integration of the countries of Europe can be restored; for this reason, Madam President, we of the Group of the European People's Party, who have contributed to the formulation of these proposals, appreciate their worth. And this appreciation is a contributory factor to our approval of the draft treaty that is before us, and for which we have fought with conviction.

Mr Halligan (S). — Madam President, honourable colleagues, the Spinelli report on a preliminary draft treaty establishing the European Union must be supported, I believe, by all those who believe in the European ideal. I would stress two words from the official title to the resolution, and these are 'draft' and 'preliminary'. In ordinary, conventional language these words have an easily understood meaning. They connote that the treaty before us for debate and for decision is merely a first step on the road to another stage in European integration and not the final word. I regard this draft preliminary treaty as a supremely important statement of principle and, if adopted, as a symbol of our collective political will as a Parliament to move in the direction of greater unity. In politics, symbols are important and are not to be derided. That is why I believe that the adoption of the draft treaty will be seen as a historic decision by this Parliament. I intend to vote for it, subject to three reservations.

The first of these is that as a preliminary draft statement as to what should constitute European Union it

Halligan

is open to amendment and change by the Member States of the European Community. Any other appreciation of the concrete political situation would be unrealistic, and I must say that I am not particularly happy with Article 82. For example, in the case of my country, the unamended adoption of Article 12 (1) would require an amendment to the Irish Constitution, and this could only be effected by an Act of Parliament and then by a majority vote in a referendum. Clearly, therefore, the adoption by this Parliament of the draft treaty could not confer competences upon the European Union unless the Irish people as a whole, irrespective of its parliament, democratically decided that it should.

My second reservation, which I previously expressed in the debate on the original Spinelli report, concerns Irish neutrality. My vote in favour of the draft preliminary treaty is not to be taken in any way as jeopardizing that fundamental principle to which the Irish Labour Party is totally committed.

Thirdly — and this again is a point I made in our last debate — I favour a European Union which realistically faces up to the realities of profound regional disparities within its territories. Article 58 of the draft is not only disappointing and inadequate in its content, but it is in the wrong place within the treaty. It more properly belongs to the section on economic policy and not that dealing with policy for society. That mispositioning represents a profound misunderstanding of underdevelopment in countries such as Ireland, and is most disquieting.

Having said that, I must emphasize that I am wholeheartedly in favour of closer European integration. I believe this Parliament has a solemn obligation to play a catalytic role in rekindling the process, since the Council is manifestly unwilling or incapable of moving to the next stage of integration. There can be no advances, particularly in employment and economic development, until there is institutional reform leading to real European unity. I say this as the representative of the second smallest country here. I believe we have everything to lose should Europe remain in its present state of paralysis; but we have everything to gain — even the smallest, the weakest or the poorest — if we decide to go ahead with the next phase of integration. The Spinelli report is no time for the faint-hearted; it is no time for those who fear Europe and who favour nationalism; it is a time for a brave new advance, not a beginning but a continuation and a progress towards a continent of peace and unity.

Mr Lückner (PPE). — (DE) Madam President, ladies and gentlemen. Progress or slow decay, hope or deep perplexity followed by apathy — these seem to me to be the elements we are continually up against in encounters with the people of our countries and which we ourselves frequently suffer. What kind of

Europe are we building? We have nothing to do with devils — in that case, Mr Rogers, those who vote in favour of the draft would be angels and we are not as presumptuous as that. One thing is certain however: without adequate political structures an economic Europe is impossible. This is an experience which is familiar to us all from recent developments. I believe that the Athens Summit, as one thing among many, has once again confirmed that we have to tackle this obstacle. We can no longer avoid a decision on this matter.

It has already been said earlier today that ultimately the state of the Community is not the fault of questions of agricultural policy or financing, in my opinion it is two completely different basic facts in the life of the Community: on the one hand the distortion in the institutional structure of the Community which has increased enormously in recent years, and on the other, the distortion in the decision-taking processes in the Community due to exercise of the right of veto, not only in the Council of Ministers but at all levels of the institutions and ancillary institutions. The decision on agricultural prices in 1982, which was in accordance with the provisions of the Treaty of Rome and was by a majority vote — was unfortunately only one swallow which brought no summer. This remained a unique improvement but it does show clearly that majority decisions are in accordance with the Treaties.

We saw the effects of this distortion last year in the mutilation of the Genscher-Colombo report and its downgrading to a 'Solemn Declaration' which made hardly any contribution to the real problems and difficulties of our Community or to its continuing development. Athens did, however, once again make it clear that there can be no progress if the Member States and their governments in the Council of Ministers or in the European Council believe that it is their job to find solutions to European problems instead of respecting the right of the Commission to make proposals; we are faced with the question, Mr Andriessen, of whose task it is to define the common European interest. This was a fundamental question in the Treaty and Jean Monnet in his time established that when the Commission is unable to exercise this right to make proposals there are always proposals for solutions — regardless of who makes them — which are made solely from the prevailing national viewpoint.

The idea is now being mooted at the highest levels that the European Council should have its own secretariat — an ancient problem for members who have served in this House for several years. But we have Coreper in Brussels, we have the secretariat of the Council of Ministers — if we are now to have a secretariat for the European Council the Commission can go into retirement! I warn against such a development because it would mean the dissolution of the Community into mere intergovernmental cooperation.

Lücker

With the tabling of this draft Parliament has risen to the task of pointing a realistic way out of this situation. I think the Committee on Institutional Affairs has done sterling work and we should thank the coordinating rapporteur Mr Spinelli and the chairman of the Committee, Mr Ferri, with the rapporteurs for the excellent work which they have done. It is a first step and — as has already been said — the main work comes after we have voted tonight. It remains to hope that this draft will be passed by a large majority because the European Parliament will then have an important psychological means of conveying its objectives and policies to others.

(Applause)

Mr Fajardie (S). — *(FR)* Mr President, ladies and gentlemen, the motion for a resolution proposed to us today on the preliminary draft treaty establishing the European Union is undoubtedly prompted by the best of motives. From this point of view, the French Socialists, who have amply demonstrated their commitment to European integration, would willingly support it. But they find this document, proposed in this form and at this stage, completely ill-timed and irrelevant to the political realities with which we have to cope in the most effective way possible.

To seek to set up an institutional framework without first having settled the current disputed issues, without having reached a clear agreement on the common policies for which it is needed, would be a painless way of salving the consciences of those who are prepared to settle for words without making any real progress. Our overall impression is that, in these circumstances, the appearance of openness would very probably be no more than an alibi in reality.

We accordingly set our priorities for Europe on a more mundane level. We want to see the European social area brought down from the level of a high-flown idea to that of concrete achievement, on such points as working hours, training and protection of workers, or the establishment of a European workers' charter. We want to see the development of a European industrial and research area, a European space community, a common policy in the cultural sphere.

As we make headway, we can perhaps take very practical steps on the institutional side, setting up a permanent secretariat for the European Council and making better provision for consultation in the field of international policy. All things considered, the French Socialist delegation finds that the plans for a European Union brought before the European Parliament today fail to come to terms with the issues currently facing the Community. The institutional arrangements in particular are likely to be seen by many as a pretence, whereas the present situation calls for a collective effort to safeguard the Community patrimony and pave the way for new policies.

These are the issues of the day, and Mr Spinelli's proposal does not measure up to them.

We believe in attending to first things first, and are convinced that an institutional framework will evolve naturally once we have formulated and developed the common policies for which it is required. In this way, the institutions will be the complement, or rather the culmination, of the practical results of our efforts and determination.

In abstaining on the final vote, therefore, we shall be expressing our unwillingness to open a blind window revealing the solution to none of today's real problems, and at the same time we shall be affirming our preference for beginning with practicable steps in the building of Europe, which is the only way forward towards the future attainment of the Europe of our hopes.

Mr Plaskovitis (S). — *(GR)* Madam President, we expressed our views on the report by the Committee on Institutional Affairs concerning the preliminary draft treaty establishing the European Union during the debate on this report last September, when we abstained from the vote which took place.

There is nothing new today which would permit us to alter our position. The proposed draft treaty, or preliminary draft treaty, call it what you will, contains many weaknesses and dangerous ambiguities, and, as we said then, it represents a premature and utopian initiative. It is also deceitful, because on the eve of the elections for a new European Parliament it attempts to engender the impression among the peoples of the Community that ostensibly what has been lacking over the recent crucial years as far as finding a solution to their problems is concerned has been an attractive-looking legal and ideological framework, although it is common knowledge that the governments of the Community's most powerful countries have been unable to find agreement even on the most secondary of issues, whether in Stuttgart, Athens or anywhere else.

We shall continue to adhere to the view that in philology romanticism is a thing of the past, and that in politics as well as being a thing of the past it is also suspect.

Vested interest groups and reactionary circles have used it frequently enough to divert the people's attention from harsh reality so as to conceal the failure to look for genuine solutions involving sacrifices by those in a position and with a duty to make them. Many outside this House, both in Greece and other countries, will be ready, perhaps, to applaud the vision of a united Europe. But if one were to ask them what sort of Europe they desire, after managing to inform them precisely what the articles of the preliminary draft treaty provide for, and about the consequences

Plaskovitis

they may have for the peoples of the small countries especially, I am sure that their initial facile enthusiasm would be supplanted by perplexity, surprise or disappointment. Because in Article 82 the Europe of two speeds makes its official appearance, and the dominance of the large industrially-developed countries of the Community over the periphery is consolidated via the intricate decision-taking procedures in which the principle of unanimity is abandoned even when vital national interests are involved.

We socialists of Pasok believe that the maturity conducive to European political unity can only come about through a prior genuine *rapprochement*, understanding and resolve to get to grips with the common and separate problems of the ten members, and only then on the condition that Europe shows itself willing to emerge as a third power between the two super-powers, as a power committed to peace and the extirpation of the cold war psychosis that is, and not as an arena for the deployment of new atomic missiles.

Until such time as we arrive at that maturity, and here it is mainly up to the powerful countries to show the initiative and the practical disposition, we socialists of Pasok will continue to abstain in votes on fruitless and dangerous drafts like this one which would involve our country in new far-reaching commitments and force us to jettison elements of our democratic constitution and of our socialist governments' independence in foreign policy.

Mr Giavazzi (PPE). — (*IT*) Madam President, ladies and gentlemen, this draft treaty comes at a time when the Community's position, although virtually unchanged in substance in relation to what it was at the time of the previous discussions, has on the other hand changed very considerably so far as the sensitivity of public opinion on these problems is concerned.

From these assumptions I think I can draw a first conclusion. Facts have shown what is perhaps the most important aspect of the role of the European Parliament, the only organ that, in regard to the Community's crisis — which was revealed at Athens but had been becoming apparent, day by day, long before Athens — has shown both a ready awareness of the situation, and that it had a function: a function to denounce the symptoms, before the crisis, with repeated warnings to the Commission and the Council, that were, alias, unheeded. A function in moulding a responsible, common attitude immediately after the crisis, by adopting the Budget; a propositive function, by offering the means for a different relationship between Member States and the Community, with the proposals for the new treaty. That should suffice to show, to even the least perceptive, the essential nature of Parliament for the Community's progress towards Union, and then integration; as an institution, that is, of enormous potential for political synthesis, despite its present meagre capacity for law-making.

But there is a second consideration that cannot be overlooked. The success of the process that is being started today for the implementation of a new treaty obviously depends — as others have said — on the ability and determination to mould around it the complex will of the national parliaments, political parties, and currents of popular opinion. But it depends also, above all, on another decisive fact: whether progress towards Union is wanted or not, at least prepare the institutional structure to make it possible. In other words, either remove the obstacle to joint decisions, or persist with the sham of inadequate organs, in order to hide the lack of will to take these decisions.

Once the new treaty is approved, there will no longer be an alibi. If the will to decide is there, then decision will be possible, and decision there will be. If the will is not there, responsibility must be accepted accordingly. Nor will it be possible to say — and this is the third point — that the draft treaty is unrealistic. On the contrary, if we might make a point, it is that perhaps it was necessary to sacrifice to the cause of broad agreement a number of points that would have been of great value if they had been directed more strongly towards a clearer Community will. A number of amendments put forward by our group should be interpreted in this light, particularly those for strengthening the EMS, and for liberalizing the circulation of people, goods and capital. Amendment No 31 should also be interpreted in that light, as part of the unquestionable need for the complete implementation of one great free internal market, which is the indispensable prerequisite for the Union, as it is for any economic progress and any common action. It does not seek to signify, nor can it, any discrimination in political or economic ideology; nor is it apparent how it could be interpreted in the way it was this morning, in the speeches of some members of the Socialist Group. There is no such intention, nor could there be, along those lines, in that amendment.

The exact relationship between action and the means of effecting such action has always been the main problem of every human activity. I think that we are today taking an important step towards the correct development along those lines of the Community's decision-making process. This step, however, will only continue to be important if, at the same time, we do not falter in our action; if the need for Europe, and the irreversibility of the process of integration, and the fact that economic and moral revival can no longer be postponed, become the central nucleus of the positive action of every policy of every Member State. Only in this way will this Parliament not only have prepared but also determined one element that is essential to the future of the Community.

(*Applause from the centre*)

Mr Blumenfeld (PPE). — (*DE*) Madam President, ladies and gentlemen. After many years' hard work — under our rapporteur Mr Spinelli and the strict, but fair, chairman of the Committee Mr Ferri — we have tabled a draft treaty establishing the European Union. Its contents show it to be a draft constitution, although it is for the Member States alone to discuss the draft with their constitutional bodies, to ratify it and implement it. The European Parliament — with a democratic mandate as a result of direct election — is *the* institution of the Community which was and is obliged to submit a draft, the more so as we have waited for more than a decade for the promise of the Heads of State or Government to complete the European Union by 1980.

We know the fate of this initiative and of others at ministerial and Council level. They reveal with lamentable clarity the inability of the governments to be the driving force behind the work of European union. The indecisiveness of the Council of Ministers is helping to intensify the European crisis week by week.

In the face of these dramatic developments the draft treaty from the European Parliament is a glimmer of hope, a ray of hope in fact. It is not only an intellectual challenge, it is also a political challenge to the governments and the parliaments of the member countries because from now on there will be no more pretence, we shall be acting European. In spite of many differences of opinion which it is impossible to conceal on individual points, we no longer find it acceptable for the work of European unity to trail along behind the slowest ship in the convoy. In other words: those governments and parliaments which have the political will for European union have to take the lead now.

Article 45 specifies that the Community patrimony is retained. This also applies for those who delay or think that they must refuse. But we who want to take the lead will continue with the actions already undertaken and will undertake new actions in compliance with the proposed draft treaty. The Union is to be given exclusive competence in the field of economic policy to complete and develop the free movement of persons and the liberalization of trade in goods, capital and services.

Nevertheless there is still a lot to be done, we are still a long way from a functioning European internal market because of new nationalistic reservations and bureaucratic delays. Many of my political friends, like myself, find it difficult to support Article 53 of the draft on sectoral policy. I doubt whether it will be possible to use sectoral policies to create reliable framework conditions to facilitate for undertakings the necessary decisions on investment and innovation.

The sectors of agriculture, steel and energy — to name but a few examples — show that this target is very questionable. We do not want ideologies for economic, industrial, research and development

policy. A free market which develops through competition — the uniform European internal market — is our guarantee of social equality, of future opportunities for the younger generation, the continuing development of new technologies, sound vocational training and security of employment.

In conclusion, Madam President: the present draft treaty represents a firm foundation for the member countries and for the citizens of our Community and should be used as such. If we now vote in favour of it with a large majority, Europe will once again be able to assume the place in the world which it deserves.

Mrs Gaiotti De Biase (PPE). — (*IT*) Madam President, ladies and gentlemen, the spirit and political commitment that we Christian Democrats are bringing to this debate have already been very effectively expressed by my colleagues, starting with our Chairman, Mr Piccoli, and the rapporteur, Mr Zecchino.

At this point in the debate I should like only to comment on some of the points that have emerged and, in particular, on certain reservations that have been expressed on the excessive emphasis that has allegedly been given to the question of Treaty reform in order to overcome the Community crisis.

I confess that I was struck by a singular contradiction in Mr Glinne's speech and certain later speeches by members of the Socialist Group.

A great political party, such as the Socialist Party, whose *raison d'être* ought still to be the conviction that the processes of change cannot fail to be accompanied by the radical reorganization of power, considers that institutional questions are not so important.

A great political power, such as the Socialist Party, which certainly wants to strengthen popular representation, does not consider that the essential thing is to change the present relationship, which is not very democratic, between Parliament, the Council and the Commission. We understand that it is the objectives, the new policies and the answers to the crises that are of interest, and that matter. But what guarantees can we give the electors that we shall be able to pursue these matters, if we do not undertake together to change the rules of the game, which make this Parliament powerless? By undervaluing the weight of the institutional framework we end up by branding our Heads of Government and our Foreign Ministers as 'incapable' which is something they do not deserve. I do not think they are incapable; I do not think that they do not know, and have not understood, what we have understood; Europe is condemned to economic decline, to an existence on the political fringe, and, perhaps, to cultural subjection, unless it acts as one single political subject. They have understood this, but, if they cannot act with cohesion it is because they are prisoners of an institutional system that, on the

Gaiotti De Biase

one hand, makes them the defenders — and somewhat narrowminded defenders at that — of national interests, and gives them, on the other hand, a role without any control.

It is said that the political will is lacking. But that is because political will is still today built up, expressed, and valued inside national frontiers, within national frameworks. Underneath it all, the reform of the Treaties is nothing more than the transition necessary so that political will can be built up, expressed and valued at a Community level, accompanied by powers of decision.

Years ago a great Pope spoke of European unity as a reasonable risk. The question 'Which Europe?', which we have just heard on the lips of a Socialist member, is what this risk is all about.

We accepted this risk when, in 1979, we were faced with the slogan 'Europe will be Socialist, or there will be no Europe'. We will leave it to the citizens of Europe to answer the question 'Which Europe?'. As an alternative to this reasonable and necessary risk there is only, on the other hand, one negative certainty: the cost of non-Europe. Today, we invite our parties, our colleagues from the national parliaments and the government ministers from our countries, to accept this reasonable risk. The question of the ratification procedures and the method of conducting the dialogue with the governments and national parliaments — these are not the real problem. The problem is to succeed in restarting, with determination, a necessary process: obliging everyone to take this reasonable, inescapable risk, which is to make Europe, today.

(Applause from the centre)

Mr Estgen (PPE). — *(FR)* Madam President, if all the political groups in this Parliament have one thing in common, if there is one feeling that we all share, it is our dissatisfaction with the degree of commitment shown by the Community organs and the institutional organization of the Community, and the frustration that we feel, as the directly elected representatives of our peoples, at the insufficiency of the competences assigned to us by the Treaties of the Community.

The European Parliament, the Community's only political institution requiring the highest form of legitimation recognized in our democracies, has on countless occasions been reduced to impotence, while anger and indignation have been gathering strength against the authorities in which power is legitimately vested, authorities which have shown themselves unable to use that power for the benefit of Europe, for the benefit of our citizens.

I am therefore delighted that we at last have a preliminary draft treaty to establish the European Union which will ensure that there is a real European policy and that this Parliament enjoys its legitimate rights.

The three Luxembourg members of the Christian Democratic Group would have been happier if the task before us today had already been the examination of a text which could have been considered to be a proper constitution and would therefore have gone further than the one on which we shall be voting today. At all events, they are prepared to support Mr Luster's amendments aimed at safeguarding democratic rights, the inviolability of private life and social freedoms and rights.

There is another consideration which should not be overlooked. Until such time as we have created the United States of Europe, it will be impossible not to take account, in one way or another, of certain needs, certain national imperatives.

This brings me to say a few words about the 'vital interest' which can be invoked under Article 23 (3).

Some of our colleagues will find that this wording marks a retrograde step in comparison with the existing Treaties. They are right, and I understand the purists who disagree with this paragraph. Nevertheless, I consider that it represents an enormous advance on what we now have in practice. Until the various institutions of the Community or the Union, including this Parliament, until we have become truly 'European' so that, on important occasions, we can rise above our immediate preoccupations and consider our affairs in a European context without having to worry about the Member States' historical rights and prerogatives, the vital interest clause will remain a necessary safeguard for the smaller partners, so that they can uphold their point of view in dealings with the large countries in the Union — although it unfortunately has to be said that it is currently the large countries which make most extensive use of this clause.

This means that the 'vital interest' principle is virtually a corollary of the 'subsidiarity' principle of the Union, according to which the Union confines its interventions — exclusively — to those cases in which it can act more advantageously and more efficiently than the Member States individually. It may appear an incomprehensible, almost senseless, adventure, especially at such a time, to attempt to go beyond the existing Treaties when these themselves are not even being applied. It seems extraordinarily utopian to be seeking to move on from the Community to the Union when Europe is becoming less and less *communautaire* and more and more nationalistic. But I personally share the opinion of Chancellor Kohl, who said only last week, when addressing my party's political bureau in Bonn: 'Politiker, die keine Utopie, keine Vision für die Zukunft haben, sollen lieber gleich zu Hause bleiben'.

What we are attempting to do here requires not only our determination but also — and let us not forget it — the agreement of our national parliaments.

Estgen

Europe's future is now at the crossroads both in the national parliaments and in this Chamber. Let us therefore have the humility and frankness to recognize this, and let us show our colleagues in the national parliaments that we are worthy of the title that the President of the Commission, Gaston Thorn, conferred on us one day in this Chamber, when he called us the 'true missionaries of Europe'. Let us therefore go out and preach our faith and convince those not yet converted of the need for a united Europe.

I am firmly convinced that, with today's vote, this Parliament will have borne witness, before the electorate and for posterity, that it is not content to take part in a parody of European democracy but is genuinely determined to create a new consciousness of the political necessity of a united Europe.

The challenge is enormous. We must show that we measure up to it. The first step is being taken today but in this case, contrary to received wisdom, it is not so much the first step that is difficult as the second, and we are determined to move on to that next stage.

(Applause from the centre)

Mr Antoniazzi (PPE). — *(IT)* Madam President, ladies and gentlemen, why was a united Europe proposed in the 1950s? After so many trials of history, sometimes bloody and dramatic, wisdom prevailed and a number of States took the initiative, as proposed by Schuman, Adenauer and De Gasperi, of trying to reach agreement in order to build together the prospect of extended peace for the peoples of Europe and, as a result, for the world.

This prospect took concrete shape in the plan for a form of integration which, starting by sectoral stages, would create such conditions for joint, general progress as would set us on a new and positive course: acquiring and consolidating peace with freedom and democracy in a proper market economy system so that we should go forward together, with a strategy that would allow progress for everyone; social and regional justice for the most needy areas and the most needy classes, to bring the citizens of Europe closer together and give them greater equality with one another and with the rest of the world; and, at the same time, everywhere, protection of human rights.

This great political plan undoubtedly represents the most stimulating, almost revolutionary democratic proposal to emerge in this century, and it is all the more commendable for the fact that, initially, it was hindered by mistrust, aversion and fear. Today, many other countries and many other parties have changed their views, and now approve of that early perceptiveness and of the experience of the last 30 years, and they are now here with us to support the further development of the growth of Europe, having recognized the value of that prospect.

Having now established that we must go forward, it was necessary at this point to provide ourselves with adequate institutions, capable of meeting both the old and the new requirements. The European Parliament has worked hard in recent years on this decisive question of the institutions, recognizing it to be central to the Community's needs. Improving the institutions means giving Europe the proper tools so that it can go forward. Budget problems and problems to do with new policies to be adopted, economic and social growth — including amongst these the questions of agriculture, industry and the growing services sector — problems of peace, security, human rights and so on — all of these can be satisfactorily tackled with institutions that are less governmental in character, or less concerned with buttressing national selfishness, and which press ahead with an intelligent Community philosophy.

This, ladies and gentlemen, is the political significance of the three most important acts in our years of work, from the institutional standpoint: first, the rejection of the 1979 budget, as a protest against the system and its dimensions; secondly, the adoption of resolutions for implementing the Treaties and new inter-institutional relations, by the Committee on Political Affairs in the years 1980-82, with the clear intention of offering better, logical solutions within the Treaties in force; thirdly, today's draft, drawn up in 1983-84, which represents our principal institutional proposal for our further development. We pass this on to the citizens of Europe who elected us, with the hope that the national parliaments and governments will understand its value, its function, its decisive ability to provide concrete impetus and drive towards European political union.

It may be that parts of the draft treaty do not meet with approval, but there will be time for improvements and changes to be made. What counts, today, is the political value of the draft. I, who worked on the Committee for Institutional Affairs and on the Committee on Political Affairs with members from all parties, am proud to have made my contribution to these proposals that rekindle hope and revive the prospects for peace and development. They are directed at all citizens, but especially the young, who should be reminded that Europe — a young idea — can give concrete shape to so many of their aspirations, in harmony with those of the peoples of the whole world.

Let us immediately adopt this draft and hand it over to the responsible national institutions! I am convinced that history will judge its progress very significantly. As far as the European Parliament is concerned, it has done its duty, correctly interpreting the mandate that was given to it in the first European elections by direct universal suffrage.

IN THE CHAIR : MR ESTGEN

Vice-President

Mrs Cassanmagnago Cerretti (PPE). — (IT) Mr President, I should like to start with a special word of thanks to Mr Spinelli and Mr Ferri, to all the rapporteurs, and in particular, to Mr Pfennig and Mr Zecchino.

The great draft is ready. After over two years' work the European Parliament has finally to adopt the draft treaty establishing the European Union. It is now the turn of the governments, the parliaments and the parties to have their say in the political debate within each country, in order to decide whether to accept the draft, whether to sign and ratify the treaty or not.

Public opinion must be involved. People in all the sectors of society — social, cultural, associative, spiritual, economic — must feel themselves affected by this great project, which concerns everyone of us, and they must say what they think.

The time has come to decide. We Europeans have already lost too many years because of the uncertainties, the slowness and the contradictions along our path towards unification. Finally, Parliament — strong from its election by direct universal suffrage — has taken the initiative and done its part. May I say that it has done it well. Everyone is now accepting his own responsibilities.

If the Treaty is quickly approved by a first nucleus of States, European Union will soon after become operative, and will enable us to escape from so many blind alleys and loosen so many bonds by which we are hamstrung. It will be possible to give a European response (which is the only winning response) to the technological challenge with which we are faced from other continents. The machinery of currency unification will be set in motion again, protecting us from the fluctuations of the dollar; and on the basis of a stable currency and exchange rates, it will be possible to create an effective common agricultural market, eliminating the distortions of the present system.

The formation of a single financial market, the elimination of internal frontiers and all the national obstacles will give industry and the economy — finally and fully integrated on a continental scale — a new lease of life, that will ensure stable recovery. The fight against unemployment will be placed on the right lines. Consumer protection, protection of the environment and of the quality of life — sectors, these, in which the EEC has done a great deal, even with its limited powers — will find new vigour in the great European democracy. Europe will gradually be able to speak with a single voice in the political world, to set in motion great plans for developing the Third World, and to blow sky high the philosophy of the military blocks that are still racing each to outdo the other. With union, Europe will regain the independence that

— if we are open and sincere, we have to admit — it has lost, so much so that its security and its very destiny are decided elsewhere.

The draft treaty is the result of collaboration by all political parties in the Parliament at Strasbourg. The proposals of every group were collected on every aspect of the new European institutional system, and a compromise was reached. The wide degree of convergence, the tremendous size of the majority that supported and accomplished the treaty, the fruitful collaboration that was established between groups that usually hold opposing views — all of this may be a source of astonishment, unless one remembers that this work was, in effect, a 'constituent' undertaking. In a constituent stage divisions of opinion always take second place, and what is looked for is the widest possible consensus. All of this augurs extremely well for the new battle — which will be even more demanding — that awaits those who support the European ideal, the federalists and all democrats: the battle, I mean, for ratification by individual Member States.

What must on no account happen is for the European Parliament's draft to be taken merely as a basis for further work and negotiations. That would be to lose further precious years.

The treaty that we have drawn up — a kind of 'constitutional map' of Europe — would then go the way of so many other projects that European history has seen from 1952 onwards: intergovernmental and diplomatic negotiations would deprive it of any innovatory content, until it was fit only to be filed. Let us remember that here we have a treaty ready: that in drawing it up, every possible compromise has been made; and that the body putting forward this treaty is the only body that singly represents the sovereignty of the people of Europe.

Of course, the draft may not be perfect. But the treaty sets up a dynamic structure that can change (unlike the Community, whose machinery is both paralysed and paralysing). As, by degrees, the historical situation and popular awareness develop and make further changes necessary, those further steps forward can be taken, by virtue of the very procedures provided for by the treaty, and not by the obscure and sterile byways of intergovernmental diplomatic negotiations, but by the highroad of European democracy and the sovereignty of the people.

(Applause from the centre)

Mr Ferri (S), *Chairman of the Committee on Institutional Affairs*. — (IT) Mr President, ladies and gentlemen, as on the occasion of the session of 14 September last, by agreement with the coordinating rapporteur, Mr Spinelli, it falls to me to bring this debate to a conclusion. As Chairman of the Committee on Institutional Affairs, I had the honour to conduct the work of the Committee itself over the

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past two years. We see today the justification for that work, which we hope will find confirmation in the form of a vote in favour of the resolution, by the biggest possible majority of this Assembly, to which we remit the mandate that was given to us.

It is customary, on such an occasion, to express our thanks — first of all to Altiero Spinelli, and then to the rapporteurs and all the members of the committee, whether they were in favour or opposed. I renew these thanks sincerely and with conviction. Allow me, ladies and gentlemen, also to express special gratitude and appreciation to those whose names — unlike those of the rapporteurs — are not mentioned in the texts of our documents — that is to say, the committee officials, Messrs Giraud, Nickel, Corbett and Pierruci, who helped us with great enthusiasm, and did an absolutely first-class job. I am certain that my gratitude is shared by the committee and, I hope, by this entire Parliament.

We are acting today on the basis of the resolution of 14 September 1983, on the basis of which the draft treaty was drawn up in the prescribed form, with the valuable assistance also of a committee of legal experts.

One problem remained to the last: the problem of the resolution. Concern and different ideas were expressed right to the last about this resolution, so much so that even this morning we ran the risk of that same majority, which was ready to approve the draft treaty, threatening to divide itself on the motion for a resolution, thereby causing a conflict that, as far as public opinion is concerned, would have been politically incomprehensible and would have immediately made our vote less potent.

For this reason I considered it my duty to try to the very last to reach a compromise, in accordance with a policy that has always guided the work of our committee; the search for compromise is a duty and it is legitimate when, in order to achieve the maximum agreement, one is not seeking to sacrifice fundamental requirements but is, instead, trying to find some common ground between positions that are initially different.

This compromise was reached with the agreement of the chairmen of the majority of the groups — of those, that is, who agree the text of the treaty.

The resolution, which will be submitted to you in the form of a compromise amendment, proposes that this draft be entrusted to Member States for solemn delivery to the national governments and parliaments, and asks the Parliament that will be elected on 17 June next to keep a close watch, using all possible initiatives, meetings and contacts with the national parliaments, on the progress of the draft, so as to take account of the positions and observations of these parliaments. It concludes with the hope that the treaty

establishing the European Union may finally be signed and ratified by Member States in accordance with their respective constitutional procedures.

With this draft, the European Parliament affirms its responsibility and its conviction as to the validity of this proposal that we are formulating — a validity that aims to ensure that, with this draft, a way is opened to escape from a crisis that has long gripped the Community, and has increased dramatically of late, causing serious concern to all the peoples of Europe.

The great political quality of this draft — which, as we well know, has a complex and difficult time before it — lies in the fact that it is not the expression of an agreement reached secretly in meetings between experts, diplomats or even government representatives. The new and politically very important fact is that this draft is the result of preparation, debate and a final vote of a democratically elected Assembly which, by this vote, is conscious of representing — at least politically and morally — the peoples of Europe. This moral and political strength is therefore inherent in the nature of the draft itself, and we are certain that it will have an effective part to play subsequently as well.

I should like to say once again, having regard to the very considerable concern that has been expressed — above all by companions and colleagues from my own political party — that this draft is not solely concerned with institutional problems, and is not the expression of a state of frustration on the part of the Parliament that was elected in 1979, for its lack of powers and their inconsistency. There is naturally the problem — and it is a real problem — of giving to a parliament elected by direct universal suffrage minimum powers commensurate with the nature of a democratic Assembly of this kind. But the main concern was and is something else — to find an answer to Europe's crisis and put forward a proposal for dealing with it. As we have seen, we shall not find our way out of this crisis by sticking to the old ways and deluding ourselves that we can activate the old systems. For this reason this draft is concerned with enabling us to implement those policies that we all recognize as being necessary for the peoples of Europe, but which, with our present systems, we are unable to implement because our systems breed paralysis.

I should like to remind Members — especially those of my own party — that it is not unimportant, and indeed it is very valuable, that amongst the competences of the Union this draft provides for common action in all the following fields — industrial policy, social space, energy, telecommunications — common action that cannot be implemented today because, under the present Treaties, action has always to be pursuant to Article 235, which requires unanimous agreement and often poses difficult legal problems.

Ferri

We are faced, therefore, ladies and gentlemen, with a global response, which we feel it our right and our duty to give. Therein lies the great political value of the vote that Parliament, elected on 10 June 1979, will cast tonight.

I shrink — as I think the majority of us do — from any temptation to rhetoric; but I cannot omit recalling — as a comrade and colleague of mine, Gaetano Arfe did a short time ago — that 40 years ago the countries of Europe were still fighting a terrible war, and they were fighting at the gates of this very city, in which we are meeting today and preparing to vote. Great strides have been made, but our progress cannot stop in the present impasse, in our present difficulties. We must set forth again, finding anew the proper impetus, finding anew that courage that inspired those who, amidst the ruins and the grief of war, fought that the peoples of Europe should be united.

For this reason we are convinced, ladies and gentlemen, that the vote that we are preparing to cast is an important political fact and a solemn one. I ask you to vote in favour of this draft, rejecting the amendments that, with the best intentions in the world, have been presented for its improvement. The draft is already the result of a balanced, consistent effort which it would be dangerous to impugn!

As far as I am concerned, ladies and gentlemen, this vote is not only an important and solemn political act. I believe that, not only for me but that for the majority of you — who, even though you belong to different political parties, have a common belief in the European ideal and the will to achieve it — this vote represents for us the performance of a duty.

(Applause)

IN THE CHAIR: MR DANKERT

President

President. — The debate is closed.¹

Preliminary draft treaty, Article 4: Amendment No 29

Mr Spinelli (COM), coordinating rapporteur. — (FR) Mr President, since this article is important to the Christian Democrats, I should like to say a few words in explanation of the Committee's reasons for opposing this amendment.

¹ For the vote, see also Annex.

The Committee does not disagree that the Union must have its own declaration of rights, but we said that it could not be improvised, that there was not enough time to formulate it, and accordingly included in the draft a provision to the effect that it would be drafted by Parliament once the Union had been established. Thus, we do not reject the idea, but we consider that it would be wrong that some 30 or so rights should be improvised in a vote, when there has been no declaration. The wisest course would be for our Christian Democrat colleagues, who have generally shown a strong sense of responsibility on this matter, to withdraw this amendment rather than put it to the vote, since it will fail. Otherwise, they would be in the minority and that would give an altogether misleading impression.

Preliminary draft treaty, Article 5: Amendment No 3

Mr Kallias (PPE). — (GR) I want to explain that this amendment is aimed at bringing the text into line with that approved by Parliament on 14 September 1983...

President. — Mr Kallias, I have to interrupt you, because it is the rapporteur that takes the floor on behalf of the committee, and those who have tabled an amendment are only entitled to take the floor when they facilitate our work by withdrawing the amendment.

Preliminary draft treaty, first indent of Article 9

(After the vote on separate parts of Amendment No 30, the President declared that Amendment Nos 66/corr. and 112/rev. fell.)

Mr Simonnet (PPE). — (FR) Mr President, I fail to follow your logic. We have adopted half a line of an amendment, but we cannot leave matters there. We cannot say 'the attainment of a common, harmonious development', we have to say who or what is to be developed. Something needs to be added.

I personally shall not be voting for Mr Galland's amendment, but I consider it wholly admissible. At the end, when all the amendments have been examined, we shall vote on the first indent as a whole to clarify this harmonious development that we wish to attain, because in my view Mr Galland's amendment, which I do not approve, is wholly admissible.

President. — No, Mr Simonnet, the procedure is that we never accept amendments to amendments, and although you have accepted Amendment No 30, the meaning of which is very profound, I cannot accept the rest. There is nothing to be done: that is the procedure.

Mr Spinelli (COM), coordinating rapporteur. — (FR) Mr President, we are left with a choice for the first part of the first indent between 'the attainment of a common, harmonious development of society', which was the original wording, and the proposal in the first part of Mr Luster's amendment, which reads 'a humane and harmonious development'. Mr Galland's proposal read 'the attainment of a common, harmonious development of a pluralistic society in keeping with the principles of the market economy and freedom of exchange'. You are therefore right to propose the first part, while the rest falls. We have yet to vote on the remainder of the original wording, the part which comes next. The original wording stands, but there has to be a vote, which will satisfy the Liberals, who raised the matter.

President. — It is the result of adopting the first part of the Luster amendment. There is nothing to be done.

Preliminary draft treaty, second indent of Article 9: Amendment No 31

Mr Glinne (S). — (FR) I am obliged to seek clarification, since the wording of the amendment tabled by Mr Luster and others, Amendment No 31, which I have to hand, reads: 'The economic development of its peoples within a free market'. However, in the speech by a spokesman for the PPE Group this morning, I had the impression that he was referring, if I understood correctly, to the internal market. This is worth including, since it clearly makes an essential qualitative difference.

Mr Giavazzi (PPE). — (IT) I confirm that this is the interpretation. It was also pointed out that this was in no way intended to signify any discrimination, whether political or economic.

Preliminary draft treaty, Article 32: Amendment No 129

Mr Spinelli (COM), coordinating rapporteur. — (FR) Mr President, there has been a misunderstanding here; we overlooked the European Council's decision-making procedures, which it determines on its own authority. At all events, I think that this amendment should be adopted.

Mr Pannella (CDI). — (FR) Mr President, I simply wanted to inform the House that a quarter of an hour ago the Italian Chamber of Deputies adopted a resolution in which it committed the Italian Government and Parliament to ratifying — this is the wrong term, I appreciate — the preliminary draft treaty proposed by the committee to our Parliament.

I grant, Mr President, that this is not a procedural motion, but it is good news and I wanted to pass it on to you.

(Applause)

President. — Thank you, Mr Pannella. I conclude from your intervention that we must make haste, because the Italian Parliament is quicker than we are.

(Laughter and applause)

Preliminary draft treaty, Article 56: Amendment No 36

Mr Pfennig (PPE), rapporteur. — (DE) To avoid any misunderstanding, I should like to say, as rapporteur, that the Committee on Institutional Affairs was, for legal reasons, in favour of this Amendment No 36. It is a legal correction.

President. — Mr Pfennig, I can only admit of one rapporteur, and what I have in front of me is a 'no' from the Committee on Institutional Affairs.

Mr Spinelli (COM), coordinating rapporteur. — (FR) As regards Amendment No 36, the Committee on Institutional Affairs advises against.

Preliminary draft treaty, Article 82

Mr Glinne (S). — (FR) On Article 82, I should first like to ask for a split vote on the two paragraphs. Secondly, I should like a roll-call vote on the second paragraph of Article 82. Whatever becomes of the amendments concerned with this second paragraph, we wish to draw the House's attention to the danger that would arise if the number of States acceding to the European Union proved to be fewer than ten or, possibly, twelve.

President. — It will be a little complicated, Mr Glinne, but we can try. An amendment tabled by Mr Kallias, deleting this article, has priority over your request. If it is adopted, the article will cease to exist and your request becomes groundless.

Mr Spinelli (COM), coordinating rapporteur. — (FR) Mr President, there are several amendments on this paragraph. It was proposed that those Member States which ratified the treaty should fix the date and the conditions for entry into force of the treaty and consider these matters with those which had not ratified.

Clearly, there was also a more general formulation. The conditions concerned come under two headings: first, procedure, and secondly, relations with those States which do not ratify.

Presented with these different points of view, our committee thought that it was desirable to be clear and therefore to propose, on the basis of an amendment from Mr Prag, which was accepted with modifications by the committee, that once this treaty had been ratified, the governments of the States concerned should decide by common accord on the subsequent stages of the procedure, on the date, and

Spinelli

on relations with the other Member States, and that they should be left to decide for themselves how the details should be arranged.

I should like to focus attention on the point raised by Mr Glinne: we have set the quorum at two-thirds of the total population and a majority of the Member States, from which the importance of the small States is self-evident. Two-thirds of the population is not enough unless there are six Member States, this being a majority of a Community of ten, or seven, a majority of a Community of twelve. As you see, the figures do not add up with the large States alone.

Preliminary draft treaty, Article 82: Amendment No 128

Mr Glinne (S). — (FR) Yes, Mr President, my objection is still the same. I feel that the House should know our reasons. We find it unacceptable that a process could be set in train on the basis of the acceptance of two-thirds of the population, with some governments agreeing to go ahead with the Union and others remaining on the sidelines. It is there that our fundamental objection lies. Improving a few words, putting 'procedure' instead of 'relations' or 'date', is not without interest, but our fundamental objections remain: we are against the second paragraph of Article 2 and shall be voting against it.

Before the vote on the preliminary draft treaty as a whole

President. — The Socialist Group has requested that the sitting be suspended for 15 minutes before the final vote on the preliminary draft treaty.

Are there any objections?

That is agreed.

(The sitting was suspended at 7.55 p.m. and resumed at 8.10 p.m.)

Motion for a resolution, paragraphs 1, 2 and 3: Compromise Amendment No 139

Mr Ferri (S), Chairman of the Committee on Institutional Affairs. — (IT) I think that this latest compromise, which was reached this morning with the chairmen and representatives of the groups, makes it possible to withdraw the other amendments. If the Assembly is in agreement, I would ask the following wording — which was, moreover, already agreed as well this morning — to be inserted at paragraph 1: 'instructs its President, assisted by a delegation from the Committee...'

President. — So your text is: '... instructs its President, assisted by a delegation from the Committee on Institutional Affairs, ...'

Are there any objections?

This oral amendment to the compromise amendment is accepted.

Mr Glinne (S). — (FR) I am very sorry, but when compromises are refined, as was the case at midday today, they have to remain unchanged. We therefore have to say: 'instructs its President to submit it to the Parliaments and Governments of the Member States'.

When the time comes, the President and officers of the Parliament will make a judgment as to what approaches should be made and how they should be made.

President. — Mr Ferri, I think there is no point in beginning a discussion. There is a refusal, from the Socialist Group, to accept the oral amendment you have just proposed. I think it is preferable to submit the matter to the Enlarged Bureau, which will doubtless find a satisfactory solution in order to save the compromise that has been worked out.

Mr Ferri (S), Chairman of the Committee on Institutional Affairs. — (IT) Mr President, seeing that the agreement that I had hoped for is not forthcoming, we will obviously rely on your wisdom and that of the Enlarged Bureau.

Before the vote on the motion for a resolution as a whole and after all the explanations of vote

President. — Before the vote on the motion for a resolution as a whole, I should like to give the floor once more to the architect of this edifice, Mr Spinelli.

(Applause)

Mr Spinelli (COM), coordinating rapporteur. — (FR) Mr President, during the election campaign five years ago, I promised my constituents who were not on the centre-right but on the left that I would pursue this matter. I have kept that promise. Today, having reached this point, the end of one chapter and the beginning of another which others, perhaps, will complete, and as I look back on the task that I have tried to accomplish here, I have to tell you that it is my view that if the ideas contained in this draft and the resolution had not been in the minds of the great majority of this Parliament, it would have been quite impossible for me to put them there. I have merely practised the art of maieutics, after the manner of Socrates. I am the midwife who has delivered Parliament of this infant. Now we must nurture it. Thank you.

(Loud and prolonged applause)

(The sitting closed at 9 p.m.)¹

¹ For the next sitting's agenda, see the Minutes.

ANNEX

Votes

This Annex indicates rapporteurs' opinions on amendments and reproduces the text of explanations of vote. For further details of the voting, the reader is referred to the Minutes

SPINELLI REPORT (DOC. 1-1200/83 : EUROPEAN UNION) : ADOPTED

The Committee on Institutional Affairs spoke

IN FAVOUR OF Amendments Nos 14, 15, 19 (second part), 21, 30 (first part), 31, 37, 40, 43/corr., 47/corr., 83, 87, 103, 109/rev., 112/rev., 119/rev. and 124 to 136 ; and

AGAINST Nos 3 to 6, 9 to 13, 19 (first part), 29, 30 (second part), 32 to 36, 38, 41, 44/corr., 49/corr., 51/corr., 52/corr., 54/corr. to 56/corr., 58/corr., 59/corr., 63/corr., 65/corr. to 70/corr., 71/rev. to 77/rev., 79 to 82, 84 to 86, 88 to 99/rev., 111/rev., 114/rev. and 123/corr.

Explanations of vote

Mr Barbi (PPE). — *(IT)* We of the Group of the European People's Party will vote with conviction and satisfaction in favour of this draft — to which we have made a decisive contribution in its preparation and finalization stages both in the committee and in plenary session — because we consider it a suitable instrument — even though it is not perfect — for the development of the Community along the lines that we consider right, both in the light of our principles and ideals and our historical traditions, and having regard to the present needs of European society.

We are not in favour of European Union as the result of recent conversion, nor because we have turned our convictions upside down or changed our assessments, but because it corresponds in the most concrete way to our conception of mankind living together in a social system based on agreement and collaboration, and locks firmly away in the attic — as so much sad and harmful junk from the past — all philosophies — whether nationalistic or Marxist in character — based on the existence of a state of conflict.

We therefore greatly appreciate the step that has been taken — bravely and not without suffering — by other political parties who have come to agree with us on positions that they had for a long time bitterly opposed.

We are for European Union because it represents the natural and necessary — albeit late — development of the great vision that Robert Schuman had of cooperation between our peoples, and that was immediately understood by Adenauer and De Gasperi and had the full support of our great Christian Democratic parties throughout Europe.

We are for European Union because in the five years of our experience of this Parliament we have had proof — and for that reason we are confident that our British friends, who are so fond of pragmatism and empiricism will agree — that the present level of the Community's institutions and its decision-making is not such as to enable us to tackle,

Barbi

promptly and effectively, burning problems such as unemployment and hence economic growth, and technological innovation and hence scientific research. We need, therefore, procedures and institutions that will restore to Member States the dignity and capability of taking farsighted decisions that are generous, appropriate and timely.

We are for European Union because it perfects and consolidates that peace in freedom which is the most precious and fruitful result of our Community; and because it opens up the best political prospects for joint defence and security, which are the indispensable guarantee of our independence.

For these reasons we shall vote unanimously in favour of the draft.

Mr Nord (L). — *(NL)* A large majority of the members of my group will be voting for this resolution in its new form, because it now contains what we have been advocating for months, first in the Committee on Institutional Affairs and later here, that we must establish a form of contact with the national parliaments that enables us to make them our allies rather than our opponents. We regarded that as the essential point, we are now satisfied, and we shall therefore be voting for the motion.

To conclude, I would add that I and the whole of my group are particularly happy that it has been possible at the last moment to find a text which a large majority of Parliament can approve. It would have been a pity if at the final stage differences of opinion had occurred among people who all wanted the same thing. We shall therefore vote for this resolution with particular pleasure and very great conviction.

Mr Hord (ED). — Mr President, I am conscious of the pressure on the House this evening with so many explanations of vote, but you will appreciate that one of the few rights that Members have is the explanation of vote. We are entitled to one and a half minutes for individual Members and 3 minutes for groups, and I do not believe, with respect, Mr President, that you are in a position to reduce that to one minute and two minutes respectively.

President. — Mr Hord, I agree with you in principle. I simply indicate that if we do not limit ourselves severely, the final vote on the resolution cannot take place tonight. Everybody has to weigh the pros and cons of such a — in my view — bad solution.

Sir Fred Catherwood (ED). — First of all I am sure I speak for all of our group, whether we agree with the rapporteur or not, in admiring the effort and the energy and the courage shown in this tremendous effort to gain support for a new constitution for Europe. It has been a tremendous effort, and we respect him for it.

The members of our group decided on a free vote. Many have very serious reservations on the text, especially on Article 23 and most especially on Article 82 as altered by Amendment No 128. That, I think, may have been the turning-point for some people. I do not suppose that any member of our group agrees with the whole amended text. I suspect that even the rapporteur does not agree with the whole amended text. However, some colleagues are prepared to give their assent to the proposal that the text, though imperfect, should now be allowed to go ahead to national governments, as requested in the motion, in order to keep this issue alive and to get a workable constitution which will take Europe forward, something which we desperately need.

Coming to my personal position rather than the group's position, I would have voted with this latter group but for Amendment No 128, under which two-thirds of the Community would impose its wishes on the other one-third. I have enormous respect for all those of my colleagues who have made this terrific effort as members of this committee. I know them and I think that they have done a great job, but that is just too much, even for those who have goodwill for this project, I cannot see how we can possibly go to national governments with a proposal that those national governments should be overruled. I think this puts the whole matter in a different category, with which I personally would not want to be associated. I really cannot see that that is going to help. With the most enormous respect, I cannot, I regret, vote for this motion.

Mr Glinne (S). — *(FR)* The Socialist Group has allowed a free vote to all its members on the draft treaty. The unfavourable views expressed by a number of us stem largely from reservations about the second paragraph of Article 82. I am still convinced that it would have been much wiser to leave the problem of the treaty's entry into force to be settled by negotiations between the European Parliament and the national parliaments and governments.

On the other hand, the Socialist Group has stated that it is in favour of the motion for a resolution as contained in compromise Amendment No 139, and hopes that it will be put into effect without delay after the elections next June.

Mr Prag (ED), rapporteur. — I cannot fail to say, speaking personally, that I welcome the adoption of this text. That does not mean that I approve every word of it, but this first directly-elected Parliament could not have ended its life without making a real attempt to break the log-jam in the Community's decision-making process. It is no use prodding the logs at the periphery with a pen. We have attempted to break the log-jam there where it occurs. I believe that we are about to adopt a document — a moderate and practical document — which can be the basis of a wide and effective consultation. It was our duty, and we have done it.

Mr Di Bartolomei (L). — *(IT)* With only a minute in which to make it, an explanation of vote can only for me take the form of an act of faith in the European ideal — brief, but not useless as far as I am concerned. The fundamental act that we are about to accomplish in approving the new treaty is obvious proof that the vote of the citizens of Europe has been correctly interpreted here not as a mandate to support sectoral or corporate interests, but as an investiture to go ahead with the building of European Union. Otherwise, what would have been the sense in electing a Parliament by universal suffrage!

This is therefore the first stage in a great battle that we have undertaken, and it is undoubtedly not even the most difficult one. By accomplishing this solemn act we are here calling on the spirit of Europe, its history and its culture, to enlighten those who fear what they see new approaching, and to strengthen our faith in our progress towards a united Europe.

Mr Pannella (CDI). — *(IT)* I do not think that the compromises that have been accepted and adopted today have very much strengthened the decisions of our Parliament. But, partly out of humility — in face of the integrity and moral, intellectual and political vigour of Spinelli — and partly because, at all events, this document, if it is understood aright, means that we no longer consider it possible to continue serving up to our peoples the lie of the validity of national independence, I and my friend Bonino, as the Radical party, will vote in favour of this resolution.

Mr Kirk (ED). — *(DA)* I also think that the Committee on Institutional Affairs has done a formidable piece of work, but unfortunately I feel that it has set a collision course which may very easily lead to a weakening of the European idea itself. The European Parliament has no direct means of influencing the national parliaments, and we have steered a course here which requires the national parliaments to debate this draft for a new treaty. I do not think that we can muster popular support behind the members of the national parliaments, and I therefore fear that in reality the European idea will be forced into the background somewhat. After all, we have very often reproached the governments for not paying enough attention to the popular side of European cooperation. Now we are showing in the European Parliament that we have no understanding for the cooperation of the governments in the European Community. I should have preferred to see an either/or rather than a both/and, which is called for here. I must therefore abstain from voting on this motion for a resolution, for we do not want a Europe made to measure. We want a Europe which can continue to develop, albeit slowly.

Mr Adamou (COM). — *(GR)* As far as we are concerned, the Spinelli report is a pre-election manifesto with long-term objectives. What sort of unity and what sort of Europe are we talking about? About a Europe in the hands of the monopolies? Europe has had this

Adamou

sort of unity for the last 25 years, and the monopolies are collaborating harmoniously — as far as their mock friendship allows — in the brutal exploitation of the European peoples, an exploitation which has led to 15 million unemployed, 20 million by the end of the year, and put 70 million people below the poverty line. There is an unbridgeable gulf between the working people of the Community and the monopolies which direct its policy, and the object of the Spinelli report is to reduce still further the national independence of the Member States so that the peoples can be handed over on a plate to vested capital and made into its serfs. Serfs of the vested capital which has turned the Europe of the EEC into an accessory of dangerous Washington policy ...

President. — Mr Adamou, you have exceeded your speaking time.

Mrs Castle (S). — This report puts the cart before the horse. What is wrong with this Community is its disastrous economic and social policies. That is because it is dominated by a majority of right-wing monetarist governments; that is why we have rising unemployment, a crisis and increasing poverty. In such a situation, it would be absurd to strengthen the Community institutions so as to impose these disastrous policies as common ones. I am not prepared to subject Britain's vital interests or my own social and economic views to majority votes, either in this Parliament or in the Council of Ministers. Apparently some Conservatives are, but this is not the policy for which the British people voted in the referendum of 1975. I challenge the Conservative Party to come clean with the electorate. I voted against the draft treaty. I shall vote against the resolution.

Mrs Lizin (S). — (*FR*) I should like to say that I cannot understand how some of our colleagues have seen fit to abstain or vote against on such an occasion. When we know that Europe would have made enormous progress over these past five years if Parliament had had the powers that we are now proposing for it in 1979, enormous progress on the monetary side, in industrial policy and in research, when we know from experience what it is to be paralysed, to have our efforts negated, when we should be taking pride as elected representatives in gaining recognition of our power of decision in the last resort, how can we abstain, how can we vote against?

I shall be voting in favour, for the disputed Article 82 along with the rest, and my only regret, Mr Spinelli, is that you have not had unanimous support this evening, from the Socialists in particular.

Mr Megahy (S). — When I think of the number of trees chopped down to produce the paper for this report, it must rank as a total environmental disaster. It takes us to a European superstate, a direction I do not want to follow. It removes the right of national veto, it introduces the matter of defence into the EEC and is a total distraction from the economic and social problems facing this Community. Further than that, it is totally impracticable. It will be thrown out by every parliament except the Italian Parliament, which will always vote for federalist measures of this kind. It is a measure of the self-delusion of the Members of this Parliament, cocooned in their ivory tower of Euro-idealism, that they could even contemplate voting for something of this nature. I voted against the setting up of the committee. I voted against the original resolution. I shall have very great pleasure in voting against this, and so will all the national parliaments.

Mr De Pasquale (COM). — (*IT*) Our vote in favour of this resolution is due directly to our strategy of fighting for democracy, peace and socialism, and is very closely bound up with our character as a great national and internationalist worker's and people's party. At the present time it is increasingly difficult to carry on the battle for emancipation of the working classes, in freedom and peace, except in this way, the European way. The great forces of international capital have no Fatherland and know no frontiers. Where our nations and states are concerned competition is therefore on an unequal basis, and we are fighting to overcome, gradually, the lack of comprehension and the divisions that are holding back the great potential as a single fighting force of the democratic parties of the left in Europe.

This is our ambition and, under present-day conditions, the ambition of a united Europe is for us the only realistic way.

Mrs Gredal (S). — *(DA)* We are utterly amazed to note that two members of the Konserervative Folkeparti in Denmark, Mr Møller and Mr Kirk, have tabled an amendment calling on the new European Parliament to consider the possibilities of implementing the plans to set up a European Union. It is pure hypocrisy to table such an amendment and at the same time tell the Danish daily press that they — and the Konserervative Folkeparti in Denmark — are opposed to the idea of a Union. That will not do. When are the Danish Conservatives going to show their true colours on the Union question? How long will they go on bluffing the voters in Denmark? It is clear from their amendment that Poul Møller and Kent Kirk are not distancing themselves from European Union. We also remember Mr Møller's pronouncements here in Parliament when he said: 'Give up the right of veto, Mr Kjeld Olesen!'. Let me tell you that the Danish Social Democrats have voted against both the Spinelli report and the amendment tabled by Kent Kirk and Poul Møller.

Mr Balfe (S). — Not surprisingly, I shall also vote against this report. If we needed any good reasons for voting against it, we saw them yesterday when Parliament once again voted in a stupid way. We shall undoubtedly see them next month when we debate agricultural prices, and I think the most telling display we have seen today is that of Sir Henry Plumb, who demonstrated what he thinks of the report by staying out of the Chamber for the entire debate. That was indeed a very good thing to do. Some will argue that this report is too weak and that what we need is a treaty based on the principles of the Act of Union of 1801 between Britain and Ireland, suppressing all the national parliaments. That seems to be the aim of some of the people in this Chamber. The report is an irrelevance. It means nothing in Catford, Peckham or Deptford or the places where voting people actually live. The only place it means anything is in the higher academic towers of our country. For those reasons I shall vote against.

Mr Luster (PPE). — *(DE)* I am giving the following explanation on behalf of Mr Pfennig and other group colleagues as well. We wish to thank Mr Spinelli for his courageous initiative and for his perseverance. We shall vote for the Committee's draft. We would gladly have gone further. We submitted our own ideas to the House in our draft constitution — Doc. 1/653/83. We want a federal State, a 'European Union.'

On two points in particular we cannot go along with the Committee's text:

1. We were not prepared to go behind the back of the existing Treaty texts. The disastrous principle of unanimity in the Council, which stems from the Luxembourg disagreement, must not be legalized via the back door;
2. We cannot understand why a list of the traditional fundamental rights was not included. We had submitted explicit proposals for it. Our group, as well as Parliament — in particular in the Scelba report — has always expressly required that the fundamental rights be firmly established. To mention the fact that a list of this type is to be compiled later is wholly unsatisfactory.

It was for these reasons that we requested a roll-call vote.

Should the initiative of the European Parliament be delayed, diluted, or even frustrated by the member governments and parliaments, we propose that the text of a European constitution be submitted to the citizens of Europe in a plebiscite, i.e., that a referendum be held.

Mr Israël (DEP). — *(FR)* I share my group's assessment of the difficulties involved in the plans for establishing the European Union. My own belief, regretfully, is that these plans have little chance of succeeding, but I do not have it in my heart to refuse Mr Spinelli my vote. In short, I am loath to deprive the peoples of Europe of the measure of idealism and optimism contained in this motion for a resolution. Mr President, ladies and gentlemen, may I remind you of one of General de Gaulle's famous maxims: '*n'insultons pas l'avenir*'. Let us therefore vote for the Spinelli report.

(Applause)

Mrs Nielsen (L). — (DA) As Liberals, we are the very first to recognize that, in any cooperation among countries and among democratically-elected members of an assembly, there will of course always be different opinions. It is the strength of Liberals that they accept this. In Venstre, we hold the very clear view that the cooperation we are involved in here in the Community must be strengthened and extended. Venstre is the party in Denmark which has been and continues to be the foremost defender of that principle. There is quite simply no alternative to cooperation among West European democratic countries; we are therefore very positively disposed towards any measure to extend and strengthen it. We in Venstre want to create a genuine popular understanding of precisely that valuable cooperation, and, when I say genuine popular understanding, I mean that we want to carry the populations in the various Member States along with us.

I should point out that I speak on my own behalf and on behalf of my Liberal colleague, Mr Nielsen. We shall abstain from voting, as we did in the vote which took place in September last year, because we are afraid that Parliament is taking an overhasty step.

Mr Maher (L). — We as a Community are being pushed around in the economic field by the United States and by other large countries in the world. We have to recognize that unless we pull better together, we shall not be able to achieve our proper place in the world of nations and communities. It is inevitable therefore that we move towards greater integration and greater union. That is the only way that strength lies. I have serious reservations, particularly in relation to the two-thirds-one-third and also in relation to what Parliament did today about the regions. I think it is a mistake not to observe the fact that the poorer regions need to be brought up to the level of those that are better off. I feel Parliament has made a mistake here. Nevertheless, I must in principle support.

Mr Enright (S). — What this Community needs, what the peoples of the Community require and what they are demanding of us is dynamism. They are demanding root and branch reform, and it is for those reasons that I applaud the attempt by Mr Spinelli to reform the Treaties — which do need to be reformed — and to reform them in a new way.

But, alas, what we have here is an attempt to substitute slogans for action. We do not have the recommended action which is needed to improve the lot of the peoples of Europe. What we have is a reiteration of the dreams of the 1930s and 1940s which could very rapidly become the nightmare of the 1980s and 1990s. Therefore, I say the attempt to do this is right but I cannot support the recommendations, and I shall, therefore, abstain from voting.

Mr Pfennig (PPE), rapporteur. — (DE) Because of inaccurate information from the secretariat of the Committee on Institutional Affairs concerning Article 56 Amendment No 36 from Mr Luster, Mr Spinelli, coordinating rapporteur, was led to say that the committee had rejected this motion. In fact during the second reading in committee on 2 February the Committee of Jurists amended its earlier opinion and recommended acceptance of the amendment. There was no further vote on the motion in committee after that and so it must be assumed that the amendment was accepted.

I hope therefore that the Presidency will allow an appropriate version of Article 56 to be drawn up in accordance with Mr Ferri's announcement, since if this amendment is not accepted the entire social and health policy, including therefore matters which do not require harmonization or which cannot be harmonized, would become the competence of the Union, contrary to the resolution and to the principle of subsidiarity. Logically Article 56 would accordingly consist only of the sentence 'The Union shall have competence for the entire social and health policy'. This would, however not just be contrary to the principle of subsidiarity...

President. — Mr Pfennig, that is not an explanation of vote. We have already promised Mr Ferri that the question of Article 56 will be re-examined.

Mr Pfennig (PPE), rapporteur. — (DE) Mr President, this has to be made clear.

President. — It has been made clear.

(Applause)

Mr Pfennig (PPE), rapporteur. — *(DE)* Such a version would not only be contrary to the principle of subsidiarity, it would also negate the whole division of competences between the Union and Member States which was worked out so carefully in committee, at least in this field, and would damage the credibility of the draft.

Mr Moreland (ED). — Last year I abstained on the previous Spinelli report. I still have doubts, but I shall vote in favour of this report today.

(Applause)

I shall be voting for the report for two reasons. The first and the most important reason is that Athens has happened, and Athens has demonstrated to the Community that the decision-making processes of the Community need revision. Athens was a disaster and it was a reflection on decision-making provisions.

The second reason is the speech we have had from Mrs Castle when she suggested to us that the reason why she was against it was that it was because it would be a centre-right, free-market majority in Europe. Hurrah! I am for that. . .

(Applause)

and I hope that for that reason the House will support it.

More seriously, it shows that she knows that she is in a party that is always going to be in the minority, as June will show. Hurrah for this report! I hope the House will support it.

(Applause)

Mr Almirante (NI), in writing. — *(IT)* In confirming that the deputies of the Italian national Right will vote in favour of the draft, as already announced by Mr Romualdi, I should like to clarify one or two points :

- (1) Our vote here is, for the time being, not very large ; it is the vote of four members. But, according to the figures from the last Italian political elections, these four members represent two-and-a-half million electors, to which must be added the many young students and workers who look to us with confidence ;
- (2) Ours is undoubtedly the vote of a party that is not ashamed to call itself 'national' and 'nationalist', but which has always understood that you cannot be good Italian, or French, or German nationalists if you are not first and foremost European nationalists, within a civilized framework, and free from any ideological barriers ;
- (3) Our support for the Spinelli draft is given without mental or formal reservations, but it is at the same time critical support, intended to stimulate and not to hinder. It is the support of those who hope for, and want, a great deal more ; who hope for and want — right from the start of the next European Parliament — a solution also to the problems connected with the protection of human rights, the great political problems, and above all, problems connected with security and Europe's contribution to the cause of peace, against any designs of an imperialistic nature.

Mr Bocklet (PPE), in writing. — *(DE)* By today's resolution the first directly elected European Parliament has shown that despite separatist tendencies in some Member States of the European Community it is able to reach a consensus on the constitutional foundations of a common Europe beyond party boundaries. To that extent the European Parliament has set the Council, the national governments and national parliaments an example of decisiveness on European affairs.

Bocklet

This draft treaty does however have two serious defects : it is too far-reaching and too perfectionist for it to make any contribution to the necessarily pragmatic future development of the Community and it is too half-hearted and too lacking in consistency for it to serve as the objective of European unity. It is too little of one and too much of the other. Above all, however, it will frighten off those people, who, after the Stuttgart Summit, need to be persuaded of the necessity of pragmatic progress in European unity and of the delegation of legislative powers to the European Parliament.

If I vote in favour of the present draft in spite of this it is because I see it as a necessary stage in the gaining of parliamentary and European confidence and as a reminder to us all to continue with the construction of Europe and as a useful pointer in the direction of a European Union.

Mr Bournias (PPE), in writing. — (GR) The preliminary draft treaty establishing the European Union is an oasis amidst what responsible quarters in the institutions have referred to as the pessimism and impasse surrounding the Community following the failure of the Athens Summit.

The message conveyed by this text is that the Community will survive, will surmount all the obstacles and will make a real thing of the European Union, the great objective and culmination in the dreams of the Community's inspired founders.

I congratulate the general rapporteur, Mr Spinelli, and his co-rapporteurs for the completeness of their work, and I shall vote for the motion for a resolution and the draft treaty for the general reasons I have mentioned and for the following specific reasons.

First, because it reconciles opposing views.

Secondly, because it strengthens the elected Parliament by sharing legislative authority between it and the Council.

Thirdly, because it constitutes a positive move towards strengthening Europe and will help to guarantee peace.

Mr Eisma (NI), in writing. — (NL) We regret that our amendments on the section of the preliminary draft treaty concerning the institutions were not adopted. As a result, Parliament has decided that it should not be able to dismiss individual Members of the Commission and that the Commission should not be limited to one Member per Member State. Fortunately, other Members felt that the reference to vital national interests should be deleted from the text although, unfortunately, not a majority of the House. It is incomprehensible that more Members did not share the view that Brussels should be the seat of the institutions.

None the less, we shall vote for the prodigious work of the Committee on Institutional Affairs. We shall immediately begin, through our contacts with our colleagues in the Lower House in The Hague, to ensure the early ratification of this treaty.

Mr Estgen (PPE), in writing. — (FR) The Luxembourg Members in the Christian-Democratic Group will be voting in favour of the motion for a resolution which, in common with the draft treaty, is on the whole conducive to progress in the Community's decision-making process (which is currently immobilized) and to a broadening of this Parliament's political competence.

The Luxembourg Members are conscious that they are today carrying on the tradition of those great Christian-Democratic Europeans from their country, Joseph Bech and Pierre Werner, who campaigned passionately for a united Europe.

Of course, the text of the draft treaty contains aspects which do not find favour with us and we have our reservations about Article 85, on the seat of the institutions ; there are also gaps in the wording on European citizens' rights and freedoms, which we regret.

Estgen

But politics is the art of the possible ; compromises among various political groupings are part and parcel of political life.

I hope that we shall all, in our respective Member States, spare no effort to persuade the national parliaments and governments of the absolute need for new life to be breathed into Europe in order to tackle the great problems of the day : economic development, combating unemployment, safeguarding established social standards, and protection of the environment.

Mr Fischbach (PPE), in writing. — (DE) This Parliament has not been afraid to take on the difficult and delicate task of a constitutive assembly.

In the present draft treaty establishing the European Union it has faced probably its greatest challenge as a democratically elected Parliament — the challenge of giving a more democratic form to the Community through a new division of functions between the Union and the Member States and improvement of the equilibrium between the institutions, but above all it has given a decisive impetus to the process of Community integration.

We are indeed still a long way from the structure of a federal state or a United States of Europe. Nevertheless this draft is calculated to restore to the Community the capacity for action and decision-taking which has been lacking for so long.

Let us hope that the governments of the Member States understand it in this light and that they take this Parliamentary initiative seriously and follow it up as quickly as possible.

I have voted against Article 85 on the decision on the seat because I regard this question as being the exclusive competence of the European Council.

Finally, under the existing Treaties this question is reserved for a conference of the governments of the Member States which has to decide unanimously. I find it unacceptable that under the proposed text it is possible for a majority of governments which have never shown any interest in works of infrastructure in the places of work, let alone been involved in them, to settle the question of the seat of the European Parliament with a majority in the European Parliament. I am also firmly convinced that the governments concerned will oppose this proposal in the text.

Mr Gallagher (S), in writing. — As the only representative — at least until after the June elections — of the United Kingdom Social Democratic-Liberal Alliance in this Parliament, I wish to make it clear why I shall vote in favour.

This draft treaty would give this Parliament the budgetary and legislative powers that the British people normally associate with the word Parliament. It will also enable the institutions to be freed from the straitjacket that they now find themselves in and allow the Community to start moving again. Above all, European policies are needed to tackle the problem of unemployment.

Now the present United Kingdom Government will attempt to ensure that this initiative is blocked, but I would remind my colleagues that last week an opinion poll in the United Kingdom revealed that the majority of voters would like this Parliament to have more control over Community affairs and that in the last general election 24.6% of the electorate voted for the parties that are fully committed to the development of Europe.

I do not expect to see the new treaty fully implemented overnight, but this Parliament's duty is to point out the road ahead.

I wish to put it beyond doubt that the Alliance is solidly behind the development of European cooperation along the lines set out in this preliminary draft treaty.

Mr Gerokostopoulos (PPE), in writing. — (GR) I shall vote for the draft treaty on the European Union because this historic text gets us on the road to a United States of Europe.

My vote will be of value because it will contribute towards that overwhelming majority which will make it clear that the European Union offers the only way out of the crisis threatening our institutions.

I shall vote for the draft treaty on the grounds that — as has repeatedly been stressed— the European Union is a vital and historic necessity for the future of our countries because it is the only institution which can safeguard peace and security and the prosperity of our peoples. The same faith is shared by European public opinion, as is proved by the response to recent appeals by leading figures in Italy, France, Greece and elsewhere.

I express the hope that the governments of our countries will take on board the message which our Parliament will be sending them with its vote. It is a message urging them to drop their hesitancy and demanding that they show the political courage which is needed to make a reality of the great aim which the driving forces and founders of the European Communities, Adenauer, de Gasperi, Schuman, dreamt of and sought to realize with the existing treaties.

Mr Haagerup (L), in writing. — (DA) I have voted in favour of the Spinelli report, because I want to support a move towards stronger supranational cooperation in Europe. I think it would be arrogant to deny the European Parliament a right to put forward a draft for a treaty on European Union.

I also vote in favour of the accompanying resolution, since it was partly on my initiative (Amendment No 61) that it was amended so that national parliaments can be involved in the further discussions and deliberations before any decision is taken on a final text. This means dropping the original 'take-it-or-leave-it' attitude, which is a good thing.

Lord Harmar-Nicholls (ED), in writing. — I am opposed to the Spinelli draft treaty suggestion.

This meeting of MEPs is being presumptuous in claiming that the Council of Ministers can be bypassed when deciding the future of the EEC's powers.

Any amendments arising from the experience of EEC working so far must be settled by the ten national governments, and for any alternative to work satisfactorily this decision must be unanimous. Only in that way can the ten nations show that they *really* wish to subjugate their national powers to a European Parliament and a European Government.

If they cannot do this at the level of the Council of Ministers, it will show that the full 'Federal' ideal of some is not attainable. Then we can concentrate on a form of European cooperation which will work and contribute to peace and the quality of life of the world instead of trying to pretend that fantasy is a reality.

Mr Howell (ED), in writing. — I have listened with great care to all the contributions that have been made in this debate, wanting to be convinced, wanting to understand the difficulties. I have been deeply impressed by the sincerity that has characterized each contribution, particularly that of Mr Spinelli himself.

At the end of this long day, I have decided to vote for this resolution, not because I agree with every word or indeed every title. I do not. Each article is full of controversy, as was inevitable.

Of course I am particularly concerned at the implications of Article 23, concerning majority voting in the Council, but also Articles 38 and 82 create almost insurmountable obstacles for me.

Howell

In the end, however, I am convinced that the log-jam that now besets the Community must be broken. Athens, this year, demonstrates just that, and it is this that must now be tackled if we are to move this Community, with all its great aspirations and visions, forward once more.

The problems of majority voting and those other articles causing such problems must be looked at again and afresh, but first let us get this Community moving forward once more!

I shall for the moment swallow my doubts and vote for this motion in the hope that it is just that — a hope.

Mr Ippolito (COM), in writing. — (IT) Since I am one of the few persons in this Assembly to have taken part in the negotiations for the Treaties of Rome, I should like briefly to recall the reasons that have induced me, right from the start, to support Altiero Spinelli's initiative, which has met with such support from all the political groups in this Parliament.

The negotiations that led to the Treaties of Rome had their origin in the so-called revival of Europe at the Messina Conference, which was in turn a 'Europistic' reaction to the failure of the EDC — the failure, that is, to create a European Political Union. For the lack of any policy they fell back on the economy and nuclear power, the majority of them thinking that economic union, the Common Market, would inevitably have led to a political union. From then onwards, moreover, a number of groups of European Federalists warned against this decision, which in their view was wrong, since, in problems of this kind, priority must be given to the political side and hence, they said, the Economic Community would not lead to a Political Community.

Facts have shown that this position was only too true, so that we have in recent years witnessed the weakening of the impetus towards unity, and the progressive regression of the Community, of which the Athens Summit was the final act.

For these reasons my vote in favour of the proposal of the Committee on Institutional Affairs is also a vote of self-criticism, with which I wish to emphasize my deep, considered conviction that Europe cannot be made by only discussing the price of potatoes and tomatoes; it has to be made also by political agreements that can lead to the destruction of nationalism and particularism, for a much greater, and more worthwhile ideal.

Mr Kallias (PPE), in writing. — (GR) I shall vote for the motion for a resolution contained in the report on the preliminary draft treaty for the establishment of the European Union because it is a definite move in the evolution of the European Communities and an important step along the historic road towards European integration.

However, there are several things I ought to make clear.

Firstly, it is not my view that every one of the provisions of the draft treaty is correct.

Secondly, I believe that all of the amendments I tabled were proper and useful, both those I persisted with and those I withdrew following negative votes in the Committee on Institutional Affairs.

In particular, the rejection of those of my amendments which were designed to ensure the participation of at least one national of each of the Member States of the Community in each of the main institutions of the Union was a great mistake which will have repercussions as things move forward. Also, with regard to the territory of the Union, there must be acceptance of the fuller and clearer wording of Article 5 in the resolution adopted by Parliament on 14 September 1983, which my Amendment 3 was designed to reinstate. Finally, the provision allowing for the establishment of a European Union with the participation of some rather than of all the present members of the European Communities is precipitate, pessimistic and unacceptable.

Nevertheless, I believe that necessity will compel the rectification of the faulty provisions at a later stage, and therefore I shall vote for the draft treaty establishing the European Union and also for the final resolution.

Mr Klepsch (PPE), in writing. — (DE) I shall vote in favour of the resolution because I welcome and support Parliament's initiative to advance European unity. Nevertheless I cannot conceal the fact that I have serious reservations on three points in particular:

1. It is regrettable that the fundamental and human rights demanded by this House in the Scelba report particularly and the safeguarding of them for all citizens of the Community was not expressly incorporated in the text.
2. I consider it essential for there to be common EC foreign and defence policies in the interests of preserving the Community's freedom of action and providing lasting guarantees of peace and security. Unfortunately this duty is insufficiently stipulated in the draft.
3. I cannot accept that in the institutional sphere we remain at a level below that laid down in the Treaty of Rome, even if this is described as only a transitional solution.

Mr McCartin (PPE), in writing. — I intend to vote for this motion for a resolution. I believe that the positive consequences of acceptance by Member States of this treaty would far outweigh the disadvantages which could, of course, result for some.

We have, first of all, to accept that we are not voting into existence legislation, but in reality a working document which, if it is to find final acceptance, will undoubtedly be subjected to change and modification.

I am in favour of the development of a full union of Member States, and I see the need for progress in this direction as having assumed a greater urgency as a result of the recent years of economic depression. If we who are entrusted to represent the people of Europe in working out a common solution to our problems fail to do so, there will be among our former supporters those who will turn again in frustration to the old idea of each nation for itself, and we shall be condemned as the generation of politicians who failed to take up the torch which burned so brightly in the hands of our founding fathers.

I have, along with other points of lesser concern to me, a serious reservation about the article on regional policy. I believe that the development of economic union is not acceptable to the poorer peripheral regions without the parallel development of a fully integrated regional policy. The harmonization of economic and fiscal policies without the support of adequate regional funds and policies could in the end only aggravate regional imbalances, and perpetuate the disadvantages of areas such as Greece, Ireland and the Italian Mezzogiorno. I regret therefore that the article dealing with regional policy is vaguer than the sections dealing with monetary and fiscal matters, which are quite explicit and accompanied by deadlines.

The draft treaty before us deals extensively with institutional matters. In recent times, many Members of this Parliament have expressed concern about the developing role of the European Council. I have shared that concern, and I regard that additional institution as an unnecessary imposition. Experience has shown that the European Council has usurped the role of the Council of Ministers and added nothing to the effectiveness of the decision-making process.

Mr Marshall (ED), in writing. — I intend to vote against the Spinelli report. I believe that its authors are, as befits Members of a multinational Parliament, far ahead of their time. That of itself is no crime. The real tragedy of the Spinelli report is that it may be counter-productive. The sentence from the explanatory memorandum, 'The requirement of unanimity in Council has been virtually abolished', will be manna to the anti-Market-eers and will be unacceptable to governments and national parliaments. It will not generate greater European feeling but might well excite distrust of the Community amongst many.

I believe that instead of spending time on reports which will have no practical effect for generations, this Parliament should deal with the matters which inhibit the development of the Community — the failure to create a true Common Market, especially in services, the need for a permanent mechanism to ensure a fair budget and stop the annual wrangle over refunds which is so destructive of goodwill. Such action would do more for Europe than this report, which will gather dust and will not produce any action for many years.

Mr Pintat (L), in writing. — (FR) I consider it an honour to have been among those who have voted for the draft treaty for the European Union proposed by the Committee on Institutional Affairs.

The Honourable Members who have voted for this text have given a demonstration of their determination to make progress and to promote the establishment of a real European Union. I have voted with them and am convinced that the people who elected me would not have understood had it been otherwise.

Although perhaps not agreeing with one or other detail in the text, one cannot deny that, overall, it shows a clear determination to make progress in European political integration.

We have reached a situation in which none of our European countries can pull through alone, without greater solidarity. We must strive to give Europe more and more of the attributes of a proper State.

To this end, it is necessary to advance along the three lines which form the characteristic features of the modern State: definition of a genuine common defence policy, establishment of a common currency — the ECU — and definition of a common foreign policy.

I am particularly pleased to have ensured that this text can be amended and, if need be, improved by the national parliaments. It would have been quite wrong for this text to have been forwarded to the national parliaments on a 'take it or leave it' basis. There would have been a strong likelihood that it would have been lost for ever, rejected on account of some minor preliminary question, sharing the fate of the European Defence Community.

The next Parliament, to be elected in June 1984, will be armed with a very powerful weapon with which to advance along the course towards European unity. It will have gained invaluable time for its future work.

The economies of our countries are closely interdependent. However, in order to safeguard the achievements of economic Europe, we must now provide it with motive force by establishing a political Europe.

This is in the interests of all our historic European nations. As we approach the end of the twentieth century, the true way to be a patriot and love one's country is to be a European. It is no longer utopian to believe that the 'United States of Europe' will one day come into existence.

Mr Protopapadakis (PPE), in writing. — (GR) More things unite the European peoples than disunite them. We are united by a common desire for peace and freedom, by respect for human rights, etc. These principles are endorsed by all the peoples of Europe, including those who live under totalitarian régimes imposed on them by external forces. The unity of Europe, which rests on these common attachments, is obscured by issues of a more mundane and sordid nature, such as the budget and farm prices, etc., which have to do with the distribution of wealth. Fortunately, these latter are not able to cancel out the things which unite us.

Today in the European Parliament we have had the pleasure of debating the report on the establishment of the European Union which expresses those things which unite us and leaves aside those which disunite us. I shall therefore vote for it with great satisfaction.

Mr Puletti (S), in writing. — (IT) The vote which I am about to record in favour of the resolution on the draft treaty establishing the European Union — the result of the long, enthusiastic work of the Committee on Institutional Affairs, on which I was a member — is justified by a whole set of motives.

Many people, in this Parliament also, have repeatedly called for Europe to play a role of its own between the two superpowers. Well then, how can the Community exert itself to give shape to this policy, if it continues to be guided only by a concern for economic matters? I think we should not forget what fundamentally inspired those who worked to create this Community, and make it grow. We have to be able to look ahead; we have to be able to foresee a supranational body that will not wipe out history, nor suppress the

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characteristic traits of every individual people, but will instead eliminate the temptations to nationalism that are still strong and could become injurious if the economic difficulties continue, and the threats to the security of the West.

I am personally convinced that Europe, today, is in mortal danger; that the hope for peace might change into a fatalistic submission to force. It was no coincidence that in the debate that took place in the Committee on Institutional Affairs there was not only raised the problem of a common international policy for the Ten, but there also emerged, with a new awareness, the question of European defence. Even those who, yesterday, opposed it, are now beginning to understand how necessary it is.

During this debate we have heard speeches opposing the approval of the draft treaty. Many of these come from the Socialist Group, to which I belong. It is difficult for me to understand how socialists, who are always talking about internationalism, should show themselves lukewarm or even opposed to the project for establishing the European Union. I can understand well enough the underlying reasons that make the French Communists reject the resolution: the fundamental principle of their internationalism is the link with a superpower, the USSR, which aims to divide Europe. But thinking Democrats know that only the real, political unity of Europe can guarantee the security of the Community.

During these years working at the European Parliament I have on a number of occasions encountered the vociferous calls for common policies in the fields of energy, the conversion of industry, the fight against unemployment, and agriculture. I wonder which of these policies can really be turned into reality if the Community continues to be the result of a purely economic agreement between ten countries, without any common political commitment. We must all convince ourselves that the peoples of Europe have a common destiny.

May I be permitted, before finishing, to say that those who are against approving this draft treaty reveal a shortsightedness and pessimism that are irreconcilable with the confidence in a united Europe of those who elected us. Take care, therefore, not to let a historic opportunity, such as the one that has been given to us by the current economic conditions that we are experiencing, slip through our fingers; because sometimes national parliaments, through distraction or immediate commitments, show a certain deafness where European problems are concerned.

By voting in favour we must all undertake to apply pressure to our free parliaments to make them discuss and ratify this treaty. The act that we are about to accomplish is perhaps one of the few acts that will win for this Parliament the interest and approval of historians of the future.

Mr Ryan (PPE), in writing. — The time for pussyfooting about the unification of Europe is over. The whining and moaning must stop. Whatever our individual disappointments about progress or lack of it to date, we must not lose sight of the grand vision of a prosperous, peaceful, happy Europe from the Urals to the Atlantic and from the Arctic to the Mediterranean.

Optimists should stand up and be counted as seekers of a better way for Europeans to run their affairs. Let pessimists wallow in the limited life available in restricted, self-centred nation-states!

The economic recession of the 1980s is creating a strange paradox. The happiest people are those clairvoyants of doom who hoot their derision that membership of the EEC has not turned into a bonanza. The most despondent are those who hoped most that the EEC would transform the face of Europe and all countries in it. The truth is that we have come to a watershed. We Europeans can and must now decide whether to reverse direction and undo all that has been achieved, or else look to the future by correcting the mistakes that have already been made. The draft reforming treaty faces us all in the right direction. It will therefore have the full support of Christian Democrats throughout Europe.

Now is not the appropriate time to criticize particular sections of the draft treaty. It will never see the light of day in any form unless it is passed by the European Parliament for further and more detailed discussion by the governments and parliaments of EEC

Ryan

Member States. The draft treaty represents the pooled wisdom, experience and hopes of those Europeans who are privileged to have been elected to the first-ever democratic parliament of the peoples of this great continent.

This Parliament has done a great deal of good since it was first established as a nominated assembly and later as an elected parliament. Nothing so startlingly demonstrates the cause of the failure of the European dream as the immensity of good works and excellent ideas emerging from this Parliament in contrast with the paucity of output by the Council of Ministers. As of the latest count, some 400 decisions of the Parliament and the Commission lie dormant on the shelves of the Council of Ministers. The tragic irony of it all is that our electors do not comprehend how this complex European machine really works. Democracy is under threat in Europe because public disappointment and confusion may be translated into mass abstentions in elections for the European Parliament — the one institution which can lead the brave fight against the bureaucracy and national selfishness which is sapping the willpower and capacity of Europe.

Some 30 % of the laws and practices now governing the lives of our people are decided by the EEC. Though the existence of democracy in a nation-state is a precondition of membership, there is no similar requirement in the operation of the Community itself. Most of the decisions affecting the lives of our citizens are taken undemocratically behind closed doors in the Council of Ministers. Worse still, many pronouncements of ministerial decisions are less than honest or accurate, as the Council keeps secret minutes of the reservations and refusals of national delegations. This scandalous state of affairs must be terminated forthwith, and the best way of doing so is to give more power to the European Parliament.

If, as I hope, this Parliament, reflecting the expectations of all genuine democrats, passes this draft treaty for European Union, it will bequeath a legacy to posterity which could uplift Europe to her true status as the dominant force for peace, prosperity and happiness in the world.

Finally, and particularly for the record, I want to state that the Irish Christian-Democratic (Fine Gael) Members will not participate in the vote on any sections concerned with military security or defence matters, and I reconfirm Ireland's determination to retain its status of neutrality outside any military alliance.

Mr Schieler (S), in writing. — (DE) Before the first direct elections to this Parliament Willy Brandt said in reply to the question what were the functions and aims of this Parliament that he could envisage the directly elected European Parliament becoming a constitutive assembly.

The document which has been tabled by the Committee on Institutional Affairs today does not in fact bear the exacting title of 'Constitution'; it is very modestly described as a draft treaty establishing the European Union, the European Union which has always been the declared objective of efforts towards European unity. From the point of view of content it is nevertheless a draft constitution governing both the competences of the Union and the relationships between the institutions of the Union.

This draft treaty from the European Parliament does more than just provide food for thought. It shows the course to be taken by the European Community if we are to strive for a political union beyond a mere economic community. It is a carefully prepared work which will have repercussions beyond everyday political events. It is quite rightly expected that Parliament will speak on important problems associated with the lives of the citizens of Europe — such as security and the fight against unemployment — and that it will propose solutions, but it would be failing in its duty as the force for European unity if it remained silent on the institutional question.

Much of the present malaise of the European community is linked to institutional deficiencies. This includes for example the principle of unanimity practised by the Council of Ministers, which makes it incapable of action on most matters and reveals it to be the brake on European unity. It also includes the deficiencies in the legislative powers of this

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Parliament, which any parliamentarian must regard as a serious democratic deficiency. And it also includes the ineffectual interplay between the organs of the Community, which must be provided with a new treaty foundation so as to keep the wheels of Europe turning freely.

In fact the European Parliament has neither the legal nor the political powers to create the European Union by itself. It is however the only political organ of the European Community which has been given a direct mandate by the peoples of Europe to draw up a draft treaty of this kind.

We naturally expect that the national governments and parliaments will make various suggestions, reservations and objections when they discuss the draft. It will therefore be necessary for the new European Parliament which is to be elected in June to consider these opinions in a second round and if necessary to examine them in more detail. Nevertheless it would be absurd if we were simply to regard the draft as a more or less non-committal basis for discussions. We should not denigrate our own work! This draft is an important move towards common European policies which go further than a mere policy on trading and dealing.

This draft may appear too visionary and too utopian for some people. I think however that it is also an opportunity and an incentive to consider the objective which was once defended by Schuman and other Europeans like him. For these reasons I vote in favour of the present draft treaty and resolution.

Mr Spencer (ED), in writing. — I shall vote for the preliminary draft treaty today, not because I believe it to be perfect, and not because I believe it likely to pass into law in its present form, but because it highlights and dramatizes the need for institutional reform to solve the chronic problem of decision-making in our continent.

I would enter one reservation. While I believe that a return to majority voting in the Council is essential in due course, I think it only possible in an atmosphere of confidence. Opinion polls show clearly that my countrymen do not understand the continuing budgetary discrimination faced by the United Kingdom.

I reject the sour nationalistic voices who cry that all decisions must be subject to a national veto. If we heed them, there will be no decisions in Europe. I also reject the shrill enthusiasts who call for an immediate return to majority voting. Government must rest on consent. That consent is currently lacking in England. Until there is budgetary reform that ensures a certain equity, our electors will look askance at those who would immediately remove the so-called 'veto'.

Such problems are for the short term. By the turn of the century, Europe will have surmounted its decision-making crisis. It is in that time-scale that the Spinelli text must be seen. It is in that light that I shall support it as an intelligent and honourable exercise.

Mr Wurtz (COM), in writing. — (FR) The French Communists and Allies will be voting against the report presented on behalf of the Committee on Institutional Affairs, for the reasons stated this morning on their behalf by Mr Chambeiron. I recapitulate them briefly.

Rather than a somewhat prophetic and perhaps risky vision, we prefer a pragmatic approach, practical action to deal with the practical problems confronting us. In plain language, we find the plan proposed to us in the report less motivating than we would one which helped positively to solve the problems of unemployment, the recession, the dollar's dominance, underdevelopment, and the arms race — to quote just a few examples.

The existing Treaties offer untapped potential. Let us make full use of it. This does not require any radical changes in the institutional machinery. What it does require is political will. It is in this spirit that we for our part see our action in this Assembly as a useful extension — limited but positive — of the action that we are pursuing in order to ensure the success of a new policy in our own country.

SITTING OF WEDNESDAY, 15 FEBRUARY 1984

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IN THE CHAIR: MR DANKERT

President

(The sitting opened at 9 a.m.)¹

1. Decision on urgency

Proposal from the Commission to the Council for a regulation on suspension of aids for investments in the field of dairy production (Doc. 1-1330/83-II)

President. — The Committee on Agriculture expressed itself against urgency.

Mr Dalsager, Member of the Commission. — (DA) Mr President, the Commission has put forward this proposal in conjunction with the extension of the main agricultural structure directives. There is in the Commission's view a clear connection between the two proposals for the respective amendment of Directives Nos 159, 160 and 161 on agricultural structures and the suspension of support to investment in milk production. The latter proposal seeks to prohibit

the granting of aid both from the Community and nationally for the period up to 30 June 1984, disregarding hill-farming areas and areas for which common measures have been adopted to improve the structure of beef production. Even in these cases, very strict limits are being imposed on investment aid. In view of the fact that we have also presented proposals to the Council for the control of the serious milk surplus, the Commission felt it to be of the utmost importance to propose these supplementary arrangements concerning support in the structural sector.

I wish to point out, Mr President, that the Council is not able to take any decision on this extension, which means that we have a legal vacuum as regards the arrangements under the structure directives. It is therefore with great concern that I urge Parliament to accommodate the request we have put forward for application of the urgent procedure to these proposals.

Mr Gautier (S). — (DE) Mr President, ladies and gentlemen! I would like to remind you that a request for urgent debate on the extension of structural directives was agreed to at the last sitting. Speakers for all the groups — certainly I on behalf of my group — took the view that milk investment subsidies should definitely be suspended. I therefore feel that we should now discuss this matter in the chamber and

¹ Approval of Minutes — Documents received: See Minutes.

Gautier

accept the Commission's proposal. I would very much like to hear from the Council why decisions to this effect have still not been taken and why it is now asking for urgent procedure. We told the Council a month ago that action was necessary but we see every day in the papers that the Council cannot reach agreement. Perhaps the Council representative could comment on this.

(Applause)

(Urgent procedure was agreed to)

Mr Balfe (S). — Mr President, yesterday at Question Time to the Foreign Ministers the first question was the one from Mr Rumor on the political and economic situation in Europe as a whole. Mr Rumor was not here, and Lady Elles, who was in the chair at the time, ruled that the question fell. Now I see that the first oral question for debate on this morning's agenda, in conjunction with the Thorn debate, is apparently the same question by Mr Rumor. I would like you to tell me whether your predecessor in the chair was right in saying that the question had fallen and would not therefore be taken.

President. — When a Member who has asked a question is not there during Question Time, the question falls. It is not necessarily the same procedure in another debate.

2. *Seventeenth General Report 1983 and programme of work for 1984*

President. — The next item is the introduction by Mr Thorn, President of the Commission, of the Seventeenth General Report of the Commission on the activities of the Communities in 1983

and

the presentation of the annual programme of work of the Commission for 1984.

In the debate are included the following oral questions:

— by Mr Rumor, Chairman of the Political Affairs Committee, on behalf of that committee, to the Commission (Doc. 1-1080/83)

Subject: The political and economic situation in Europe as a whole

Can the Commission make a statement 'on the political and economic situation in Europe as a whole, based on the Final Act of 1975 of the Conference on Security and Cooperation in Europe and on the extent of its implementation', particularly in the light of the outcome of the Conference of Madrid?¹

— by Ms Clwyd and others to the Commission (Doc. 1-952/83)

Subject: Enlargement of the Community

In its resolution on the enlargement of the Community to include Spain and Portugal adopted by a large majority on 17 November 1982 the European Parliament reaffirmed 'the political will, which it has expressed on many occasions, that Spain and Portugal should join the Community by 1 January 1984 at the latest',

It further urged the Commission and the Council 'to use every possible means to ensure that the negotiations for its accession are completed by 30 March 1983 so that the ratification procedures can be completed in 1983'.

Can the Commission inform the Parliament as to the state of progress of the negotiations with the two applicant countries? Can the Commission also indicate what problems are holding up the speedy conclusion of negotiations and can it indicate at what date accession could take place?

— by Mr Galuzzi and others to the Commission (Doc. 1-954/83)

Subject: Enlargement of the Community

In its resolution on the enlargement of the Community to include Spain and Portugal adopted by a large majority on 17 November 1982 the European Parliament reaffirmed 'the political will, which it has expressed on many occasions, that Spain and Portugal should join the Community by 1 January 1984 at the latest',

It further urged the Commission and the Council 'to use every possible means to ensure that the negotiations for its accession are completed by 30 March 1983 so that the ratification procedures can be completed in 1983'.

Can the Commission inform the Parliament as to the state of progress of the negotiations with the two applicant countries? Can the Commission also indicate what problems are holding up the speedy conclusion of negotiations and can it indicate at what date accession could take place?

— by Mr Fanti and Mr Piquet on behalf of the Communists' and Allies Group to the Commission (Doc. 1-960/83)

Subject: Decisions to be taken on four subjects of the negotiations taken as a whole

Whereas the Stuttgart European Council has declared itself in favour of a genuine overall compromise with regard to the decisions to be taken on four subjects of negotiation taken as a whole (CAP, structural funds, financing of the Community and correction of imbalances, EMS and new policies),

¹ The Political Affairs Committee has tabled this question with a view to the organization of the annual debate provided for in the resolution adopted by the European Parliament on 9 July 1982 (OJ C 238 of 13. 9. 82, pp. 81-82) on a symbolic empty seat in the European Parliament.

President

Whereas the European Parliament has stated clearly that any proposal for the correction of financial imbalances isolation from the other aspects is unacceptable,

having regard to the undertakings repeatedly made by the Council that it will take into account the opinions expressed by the European Parliament on the above-mentioned topics and that it will involve Parliament itself;

1. What stage has the negotiation reached?
2. Have the above-mentioned criteria and undertakings been observed?
3. What guarantee can the Commission give so as to avoid biased or unsatisfactory results, as occurred in the case of the mandate of 30 May 1980?

— by Mr Macario and Mr Barbi on behalf of the Group of the European People's Party, to the Commission (Doc. 1-1316/83)

Subject: The role of the Commission following the European Council meeting in Athens

The role of the Commission has become increasingly obscure, both in the eyes of the public and in relation to the exchanges within the Council of Ministers, as was illustrated most strikingly at the last Council meeting.

Fundamental Community interests such as the reform of the CAP, the elaboration of new policies for other sectors, an increase in own resources vital to the future financing of the Community and the new budget policies, and the enlargement of the Community to include Spain and Portugal are now being hampered by delays as counter-productive as they are reprehensible.

Does the Commission not believe that the time has come for a clear separation of responsibility in relation to the deliberations of the Council of Ministers and European summits, coupled with a direct appeal to public opinion?

Even allowing for the fundamentally pro-European character of many Commission proposals, which often closely match those of the European Parliament, does the Commission not believe that failure to respond adequately to the chronic blockage in decision making, stemming from the Council of Ministers and the European summits, and to the consequent decline of and crisis in the Community, will ultimately throw a highly equivocal light on its true political commitment to a united Europe, unless the Commission itself undertakes this separation of responsibility, which is now overdue, followed by the necessary political clarification of inter-institutional relations, as a means of helping the Community to rise above its lethargy and weakness?

Mr Thorn, *President of the Commission*. — (FR) Mr President, ladies and gentlemen, every year, at this

time, the President of the Commission appears before this House to present the Commission's programme for the next twelve months.

I am doing so in rather special circumstances this year.

First of all, you in Parliament will be seeking re-election in a few months' time and we at the Commission are just beginning the last year of our term.

Secondly, and perhaps most important, we are only a few weeks away from the Brussels European Council, a gathering which may well prove decisive for the future of the Community. I can only hope the outcome will be positive.

This being so, you may feel that the Commission should be rendering an account of its stewardship rather than presenting a new programme. But for us, the day of reckoning is still some way off. A year is a long time in politics, and the Commission is determined to fight to the bitter end to implement its programme and put through the proposals that give it concrete expression.

The outline programme now before you tells you point by point how we propose to keep up the momentum in this, our last year in office. It is abundantly clear to us what our main tasks must be. In 1984, we must

- get the Community machinery moving again;
- embark on revitalization of the Community;
- assert our presence in the world in relations with our major trading partners and with the developing countries.

1984 will be a crucial year for Europe. We all know that the future of European integration hangs on the success or failure of our efforts.

We know that the Community is in the throes of a crisis, that it is in danger of becoming what Mr Mitterrand has called an abandoned building site. But the Commission is convinced that we have a responsibility and the resources to save it. The Commission is determined to do all in its power to rekindle the hopes that inspired the Europeans who launched the Community to unite the nations of Europe.

This House has always supported our efforts, sometimes with encouragement, sometimes with constructive criticism. We need you more than ever today.

You will have realized already that, when you go to the European hustings for the second time, you will have to do more than defend Parliament's track record.

You have achieved much and I, like the President of the Council, believe that your actions and the stances you have adopted, do honour to Europe.

But you will be expected to defend the Community's record too.

You will certainly be asked to say what the Community has done to sustain the hopes and allay the fears of the people of Europe. You will have to field all the

Thorn

questions that voters cannot direct to the proper quarter. I know it's not fair. You are not to blame for the Community's shortcomings. But that's politics!

And the people of Europe have many grounds for disquiet.

More than 12 million people in Europe are out of work today, twice as many as there were on the day you were first elected. One young person in four has no job.

For more than 10 years now the employment situation has been getting steadily worse and industrial structures have been deteriorating. We must have the courage to face up to the fact that recovery is still elusive, despite the first indications that business activity is picking up and the trend of unemployment levelling off.

Is it surprising that the people of Europe should wonder whether the Community is capable of reviving growth and reducing unemployment, aware as they are of the scale of restructuring needed in our traditional industries — iron and steel, shipbuilding, chemicals, transport — to cope with pressure from new competitors? Is it surprising that the people of Europe should wonder whether they can master the new technologies and keep European industry in the forefront of international competition, aware as they are of the meagre results of uncoordinated efforts made by their governments?

And they have other worries. The threat to their security has intensified with mounting East-West tension and the drastic worsening of the situation in the Middle East. I am forcibly reminded of Raymond Aron's bleak diagnosis of Europe's plight when he said that 'this composite group of nations only recently grown to maturity, more aware of individual than shared destinies, is passing through a difficult phase after the "glorious thirties", incapable of defending itself and dependent on energy and raw materials transported across seas whose waves it no longer rules'.

This concern is legitimate. But, in a difficult period, the Community has at least preserved the achievements of the past and even made some progress.

Despite the world-wide crisis and despite its internal divisions, the Community has managed

- to preserve the common market, resisting the temptation to resort to protectionism in the face of growing unemployment. In fact, real progress has been made towards enlarging the internal market since the Copenhagen European Council;
- to preserve the framework without which the inevitable restructuring of Europe's major traditional industries would have led to chaos;
- to maintain a united front towards the outside world, particularly in defending its trading interests against its main competitors;

- to preserve the common agricultural policy, protecting its own farmers far better from the repercussions of the crisis than have other OECD countries, including the United States;

- to preserve the zone of monetary stability created in 1979 by the establishment of the EMS; and

- to agree on a common fisheries policy.

We must not denigrate the positive aspects of the Community's record. The fact that we have come through a difficult period with so much intact is a signal success, a good omen. It may well mean thousands, if not millions, of jobs saved, suffering spared, pledges of recovery honoured.

But I feel sure that the general public finds it hopelessly inadequate. And the fact of the matter is that even these modest achievements will come under threat if the Community persists in displaying an inability to adapt to change and face up to the new challenges posed by the march of time.

The common agricultural policy is, perhaps, the most striking example of this inability to adapt.

The Commission gave its diagnosis as far back as 1980. It warned the Council that the common agricultural policy would become unmanageable unless prices were radically realigned and some limitation placed on the guarantees given to producers of surpluses, which today cannot even be given away.

In 1981 the Commission presented a series of proposals which, had the Council accepted them, would have got things back on to an even keel and kept the inevitable sacrifices to a minimum.

But because of the illusory respite provided by the favourable trend of world prices in 1981/82, precious time was lost during which the imbalance on the agricultural markets grew even worse. Unresolved problems piled up, making the necessary decisions even more difficult.

The same inability to adapt is apparent in research and industrial cooperation.

Following discussions generated by numerous Commission proposals, governments do indeed now recognize the need to make better use of the potential offered by the European dimension to encourage cooperation between firms, to enlarge the internal market and to integrate financial markets. But years have been wasted by Member States promoting national champions and feeding intra-Community rivalry instead of exploiting their complementary qualities to meet outside competition.

The electronics industry is a prime example. Between 1976 and 1979 Germany pumped some USD 800 million into its electronics industry, French electronics firms received between USD 500 million and USD 600 million, while the British Government invested over ECU 800 million in a broad programme to promote its information technology industry and support a national research and education effort.

Thorn

In all, Community countries have invested more than ECU 2 000 million in recent years to boost their information technology industries, far more than Japan and the United States. But the results have been disappointing. Europe still lags behind — not because it lacks funds or ideas but because it lacks the ability to make a united effort. Yet whenever we have joined forces, we have been successful.

European industry has got the message and turned to the Community to devise a European strategy to master the new information technology. It is now almost four years since the Commission launched the Esprit programme, with the full and enthusiastic support of the industries concerned.

Despite agreement between the people who count on the research side, the Council is still humming and hawing, arguing the need for budgetary restraint. Meantime, in Japan and the United States government and industry have embarked on massive research programmes on fifth-generation computers.

I would like to think that it will not be long before agreement is reached. Otherwise, for no good reason, Europe will have missed a major opportunity and industry's confidence in the Community will have suffered a lasting blow.

Such progress as there has been has been cautious.

The European Monetary System is a jewel in the Community's crown. It has gradually come to play a major role in the alignment of economic policies.

But transition to the second phase of the EMS, originally scheduled for 1981, has been postponed indefinitely. There are continuing problems with consolidation of the system. The Council has not acted on the Commission's proposals, including a proposal to strengthen the public and private role of the ECU. We are still waiting for sterling to participate fully, thus completing much talked-of Community solidarity and strengthening the common exchange mechanism by extending the zone of internal stability and increasing its outside influence.

This slowness to act, this reluctance to adapt, this dispersal of national efforts add up to a crying need — the need for government. Europe is not governed at the moment. The Commission proposes, Parliament urges, and no one decides.

This inability to take decisions, or at any rate to take them at the right time, is the Community's worst failing. A good decision is usually one taken when circumstances call for action. The Council's indecision has too often condemned the Community to doing too little, too late.

It is the unanimity rule within the Council which has upset the institutional balance enshrined in the Treaties, blocked the dynamism of the Community system and ultimately forced the European Council to play a very different role from that originally intended.

Over the last three years the meetings of Heads of State or Government have spent more time on budget contributions — which merely undermined mutual confidence — than on the problems of relaunching Europe, reviving its industry and dealing with unemployment.

I must dwell — if you will allow me — on the most shocking aspect of the misuse of these summit meetings. Regular encounters between those holding supreme office in our countries should have given them an opportunity to create a climate of confidence and promote European integration. Instead of which, the inertia of the normal decision-making machinery, paralysed by the unanimity rule, has led to highly technical matters being placed on the European Council's agenda.

Why were our leaders unable to spend the short time taken out from national responsibilities defining guidelines for joint action? Because they were submerged on each occasion by petty financial squabbles and reduced to attempting to deal, unsuccessfully I may add, with details which should be beneath their notice.

This inertia and indecisiveness cannot go on. You will agree with me that failure at the Brussels European Council would be the beginning of a process of self-destruction which could sweep away the work of the last 25 years.

I do not wish to dramatize. I would prefer to convert you, calmly but firmly, to my profound conviction — which now seems to be shared by the European Council — that if the Brussels European Council fails, we cannot postpone a solution until the next time, as we have tended to do since the summit of November 1981. Between March and June, the reality of the budget crisis will dawn, the European election campaign will be in full swing and governments will be bound by the public utterances of the parties that support them. Some governments will be tempted to abandon the reserve they have displayed since Athens and resort to dramatic gestures and mudslinging that pander to chauvinism.

The scene would be set for a political crisis which could lead to the break-up of the Community.

But all is not lost. It is essential, and in my view possible, to save the situation.

Thorn

I believe that the Heads of State or Government are now aware of the extent to which their divisions are endangering the Community. The political parties and opinion leaders are aware of it too.

That is a first ray of hope for the Brussels European Council.

But there are others. There is the personal commitment of the President of France. He is putting his personal prestige and the full weight of his office at the service of the Community, giving unstintingly of his time and energy to reconcile points of view so that the Brussels European Council can cut the Gordian knot of the past, and lay ambitious plans for a revitalized Community of the future.

And something has been learnt from the Athens debacle. The Council has responded to the Commission's pleas to return to the Treaty and Community procedures. I would like to think that this is not just lip-service, that the Council is at last shouldering its responsibilities; this should make the European Council's task easier.

Even reduced to essentials, that task is daunting. It may well prove too much unless progress is made by 15 March towards agreement on agricultural reform, which in turn is a prerequisite for agreement on the basic features of a new financing system, namely:

- tighter budgetary discipline;
- solutions to the budget contributions problem;
- financing the Community of Twelve.

These three issues, inextricably linked as they are with reform of the common agricultural policy, form the Gordian knot which the European Council must cut if it is to do what really matters and revitalize Europe.

Several governments quite rightly regard the containment of farm spending as a prerequisite for raising the own resources ceiling.

Let me repeat what I have already said on a number of occasions. The common agricultural policy would have had to be reformed, even if the ceiling had not been reached.

The production of surpluses must be contained at all costs, since their disposal jeopardizes the guarantees which the common agricultural policy can and must provide for other more marketable products.

The success of the common agricultural policy made some changes inevitable. But our failure to make any changes has put the Community in a financial straightjacket.

Against this background, the Commission's 1983 reform proposals and the associated price proposals

were bound to be tough. These proposals are not a catalogue from which one can pick and choose. They constitute an integrated policy designed to respond more flexibly to fluctuations of supply and demand, to integrate Community agriculture more effectively into the chain of economic activity upstream and downstream and to make the internal and external dimensions of the common agricultural policy more consistent.

The decisions to be taken will not be easy, but they are urgent and necessary. They are imposed by circumstances but, more than this, they are essential if we are to create a sound basis for the long-term development of Europe's agricultural potential, ensure the well-being of our farmers, as the Treaty requires us to do, and breathe new life into the common agricultural policy.

Frankly, I am very worried about the lack of progress within the Council and the Agriculture Ministers' statements that they will probably be forced to refer the dossier to the European Council. If the European Council is to lay solid foundations for a new financing system Agriculture Ministers must reach a decision.

(Applause)

The first element of this system is tighter budgetary discipline.

The Commission has just sent a communication to the Council restating its earlier proposals and adding some interesting elements which emerged in discussions.

The Commission's aim is threefold:

- to make each year's budget an expression of policy priorities and an instrument for stringent management of the Community's finances, and, to this end, introduce new inter-institutional conciliation in advance of the budgetary procedure proper;
- to defend Parliament's budgetary powers and its own right of initiative to the full;
- to streamline the budgetary procedure so as to obviate disputes between the two arms of the budgetary authority.

I am convinced that the Council can reach agreement on the basis of the Commission's proposals.

If I am right, the problem of the future financing of the Community and the problem of budget contributions would finally be set in a context conducive to overall agreement.

The Commission will adopt its position on both issues before the General Affairs Council meets on 20 and 21 February.

Thorn

I won't go into the details of the proposals we intend to put to the Council.

I will, however, spell out the principles which have guided us.

We feel that once the Member States are convinced that Community finances will be strictly managed, once they can be persuaded that the uncontrolled expansion of farm spending has been checked, they will be obliged to take steps to guarantee long-term, stable financing of the enlarged Community at a level which will allow the development of the common policies.

I have no doubt that the current ceiling on own resources will be raised. I recognize that it is unlikely to be abolished — as we and you would like — since virtually all the Member States are opposed to the idea.

This being so, the Commission will insist on the new ceiling being set high enough to offer a genuine prospect of revitalizing the Community and offering a guarantee of budgetary peace for at least 10 years.

The Commission is not prepared to accept the constant threat of own resources running out as an alternative to stringent budgetary management. Nor is it prepared to see the Community's credibility eroded by the need to run cap in hand, again and again, to national parliaments.

As to the budget contributions problem, the Commission wants the solutions found :

- to be in keeping with Community principles — which rules out any idea of a 'fair return' ;
- to be equitable, in other words, to reflect Member States' ability to pay and their legitimate desire to know what their annual bill will be ;
- to be lasting. The Commission considers that any solution to the budget contributions problem should run for the same period as new own resources.

The European Council can reach agreement on these three basic elements of the new financing system if the Agriculture Ministers do their homework, making it possible for the European Council to take a decision and, above all, if the Heads of State or Government come to Brussels determined to lay the foundations for a revitalized Community.

Agreement on agricultural reform and future financing would give the green light for enlargement and finally allow a date to be fixed for winding up negotiations with Spain and Portugal.

But the containment of farm spending, the restoration of budgetary peace, even enlargement, are merely preliminaries. They will not be enough. Reform has to be

matched by a blueprint for revitalizing the Community to which the Brussels European Council must give its blessing. It cannot be expected to spell out all the details but it must chart the course. That's its job.

We must

- provide European agriculture with new horizons, going beyond long-overdue reform ;
- organize joint action to restore Europe's status as an industrial and technological power ;
- provide the instruments for economic and social convergence so that we can join forces to fight the unemployment which is undermining our societies ;
- find better ways and means of working together to develop the less prosperous regions of the Community ;
- affirm Europe's role in the world and, if necessary assume responsibility for directing international efforts to combat underdevelopment and hunger. The negotiations for a new Lomé Convention have already begun and we must bear in mind that, if the Community founders, it will take with it the novel form of development cooperation we have devised to assist the countries of Africa, the Caribbean and the Pacific.

The Commission has already made proposals on all of these points and many of them could be implemented fairly quickly, for there is greater consensus within the Community on where we are going than on how we are to get there.

If the Brussels European Council can get the Community moving again — and I hope it can — it will have little difficulty in formulating guidelines for the future and launching a debate on its President's ideas on new activities for second-generation Europe.

If the Brussels European Council fails, it will be clearer than ever before that we have been treating the symptoms, not the disease. We will have to address the basic questions which nobody even dared to ask before the first enlargement : What sort of Community do we want ? How far are we prepared to follow the logic of the Treaties ?

(Applause)

And we will have to answer them before any attempt is made to pick up the pieces yet again. Because failure in Brussels would bring us face to face with a yawning gulf between the goals of the European venture and the willingness of the Member States to work to attain them.

European integration has never been just a matter of economic necessity. Purely economic considerations could have led us to opt for dependence in foreign policy and a subordinate role on the world stage. The

Thorn

European venture does not stop with the creation of an economic area, with a single market, a common customs tariff and a common agricultural policy.

The Treaty of Rome had much more in mind. Its primary objective, from which the rest follows, is 'to lay the foundations of an ever closer union among the peoples of Europe'. Note that it says 'peoples'. Not trade, economic policies, exchange rates, or industrial strategies. No, it says peoples. And this means political union in the sense that a political entity is a concrete expression of the freedom and identity of a society or a group of societies; in the sense that a society or a group of societies accepts as one of its basic objectives the attainment of internal harmony through solidarity and external independence through a defence capability.

But why wait for the Brussels European Council. I would urge you here and now, on the Commission's behalf, to seize the opportunity offered by the European election campaign to remind opinion leaders in the Community of the political goals of the European venture.

There is a clear link between this and your campaign for European union and genuine reform of the Community's institutions and decision-making machinery.

It is fashionable in certain quarters to be sceptical about this issue, which is seen as the hobby-horse of those who are nostalgic for the early days, for those who have yet to understand that economic efficiency has nothing to do with the sterile institutional debates of yesteryear.

It is to Parliament's credit that it has resisted this fashion. It is patently wrongheaded to believe that the Community can progress until such time as decision-making becomes more efficient and democratic. This has been demonstrated again and again. And I have quoted numerous examples which show that, as things now stand, the institutions' inability to take decisions is disastrous and damaging.

We must face the fact that, unless something is done, the admission of new Member States can only make matters worse.

We cannot go on pretending to discover the institutional problem each time new members join and then concentrate on the arithmetic — the size of the new Commission for example. As if that really mattered!

What is important is that the Community as such should be able to embark on the implementation of programmes and schemes in the common interest, selected and approved in an efficient, democratic manner. In a word, the Community needs to be governed. This is the crux of the matter, and a solution is clearly a long way off. Those of us who apprec-

iate how much is at stake must unite to push through the necessary reforms as quickly as possible.

The *Commission* must recover the means to play the role and exercise the powers conferred on it by the Treaties to the full. Its right of initiative will remain devoid of substance as long as it takes only one Member State to veto a decision. And of course the Commission's management powers must also be widened.

Parliament's role in decision-making is not commensurate with the legitimacy the direct elections gave it. Parliament is an expression of the deep-rooted aspirations of the people of Europe. As such, it should have a much larger say in policy-making. I would like to see it sharing legislative and budgetary powers with the Council.

Unless a balance of power is restored, cooperation will go ahead outside the Community context — which is regarded as hidebound and inflexible. The European election campaign will provide us with a golden opportunity of bringing the debate out into the open. But it will be difficult to interest the general public in an extremely esoteric discussion unless the fundamental significance of the European idea is driven home.

While you are doing your utmost to motivate public opinion, the Commission will be involved in intensive negotiations. The Commission has done its duty which, in many cases, has meant proposing tough and hence unpopular measures. The year ahead may well bring further difficult choices in the area of budget management.

You know that this year we have our backs to the wall and little room for manoeuvre. The Commission will keep you abreast of developments and, at all events, I will be reporting to this House on the Brussels European Council. Clearly, if no decisions have been taken by then to ensure the financing of agricultural expenditure, the Commission will eventually be forced to propose appropriate action, however harsh, to the budgetary authority.

Let us have no illusions. You know only too well that, if it does come to this, there will be only two ways to balance the 1984 budget:

— either the Member States will have to agree — unanimously, as you well know — to foot the extra bill themselves;

— or cuts will have to be made in, say, the Social Fund or the Regional Fund to make more money available for agriculture.

But it needn't come to this, if we all do our duty and do it quickly. There is no time to lose. There has been enough procrastination.

Thorn

It will be for you, during the European election campaign, to explain how a higher goal can be achieved by accepting immediate sacrifices. It will be for you to argue convincingly for 'union among the peoples of Europe. It will be for you to demonstrate that where there's a will there's a way, that our shared destiny, rooted in the past, can help us overcome our present differences.

At a time when Europe's economic recovery is shaky, a revitalized Community could play a decisive part in restoring confidence.

Economic performance is one of the most reliable indicators of a nation's intrinsic vitality. But economic performance alone cannot explain or sustain that vitality. The people of Europe share the same culture. Their social, economic and political institutions — as Tocqueville noted more than a century ago — are very similar. It is from this that they must draw new vigour. With their history, culture, learning and institutions to support them, the people of Europe are still perfectly capable of meeting the challenges of the crisis, outside competition, and an uncertain world. But they need to tap their intrinsic vitality, pool their efforts, and create institutions that match their aspirations. Decline is not inevitable. We may have become inward-looking, we may be suffering from a lack of vision, but we can fight these ills together, each in our own way. That, after all, is what our institutions are for.

(Applause)

Mr Glinne (S). — *(FR)* Mr President, Mr President of the Commission, Honourable Members, our group is able to approve you, Mr Thorn, and support you on many of the important points in your statement, although with the occasional reservation.

Your idea that budget and finance questions have attracted too much attention in the past is right. Compared with the social problems of more than 12 million unemployed and with the economic difficulties affecting whole branches of industry, it is reasonable to say that the annual battles over the budget certainly have received a relative importance.

But let us be clear about this — the problems of finance and the budget have only taken on this importance because the reforms we have been awaiting for so long, particularly the agricultural reform, have been forgotten or postponed.

Mr Thorn pointed out, quite rightly, that the Commission made proposals on reform back in 1980. He also pointed out, quite rightly, that Parliament has taken a wide range of initiatives in this sector and I can say, in particular, as far as my group is concerned, that budget reform has been a constant concern since the elections by universal suffrage.

However, it is not enough to explain the Community's foreseeable financial disaster in terms of the

Council's failure alone. The Commission too must shoulder its responsibilities — and more clearly than is suggested by Mr Thorn's speech.

If it is true, as Mr Thorn suggests, that if no decision is taken on these matters in March, the Community cannot be financed in 1984, then it has to be clear that, for the Commission, there is no basis on which work can be continued. A bankrupt firm needs no managers.

This is why we in the Socialist Group call on the Commission to be clear about shouldering its responsibility. We regret that, for example, it sometimes gives the impression of taking contradictory decisions on budget risks in 1984. At the beginning of the year, for example, we were talking about extra expenditure of ECU 1 600 000 000 and suddenly, when the agricultural prices were presented, the figure was only ECU 900 000 000.

Alongside the impression of wanting to speak the truth, there is a hint of accounting trickery which suggests that the Commission is partly trying to hide the extent of the real difficulties.

On the same point of the budget, and turning to the Council, I should like to say, on behalf of my political friends, that we call on the Council finally to take a decision in March. We want to do the utmost to get Parliament to exert all possible influence — and, for example, we would for our part not approve appropriations being released for the United Kingdom and Germany unless a lasting solution is found.

Mr President, it is a truism to say that the Community has very serious structural problems at the moment. In recent years, the European Parliament, and the Socialist Group in particular, has repeatedly stressed the need for a reorganization of the agricultural policy. At the moment, the great problems of Community reorganization are essentially due to the Council of Ministers' failure to take decisions on reorganizing the agricultural policy.

The CAP, Mr Thorn informs us, is the clearest example of the EEC's inability to adapt to the needs of the moment. And, having said that, what conclusions are to be drawn? We on these benches in any case believe that the Council of Agriculture Ministers should take a decision and not transfer the whole thing to the next European Council.

Decisions on all the agricultural measures ought to be taken before 1 April 1984 and they should make it possible to emerge favourably from the present state of impasse.

The Commission has made its proposals. Parliament too has given an opinion and it will do so again. The entire responsibility for the existing problems, I repeat, is on the shoulders of the Council of Ministers — which seems more crushed by its task than determined to get on top of it. The fact of the matter is

Glinne

that decisions have to be taken now if we are to avoid endangering other important areas of the common policy which are threatening to collapse in their turn.

So the Council has to act, using the collective decision-making procedure. President Mitterrand has just underlined the importance of the Community taking over problems and we, of course, approve of this. But at the moment, the discussion is an essentially bilateral one, the stated aim being to examine the possibility of a decision. There are even rumours, Mr Thorn, about new Commission proposals. That is fine — provided the idea in the Commission programme and elsewhere is rapidly to reach the stage where the Community deals with the problems and there are solutions and decisions.

Mr President, our group fully appreciates what Mr Thorn said about the urgency of an agreement — which should be arrived at, as he said, in the next few days — on the Esprit programme launched a few years ago to set up a European information strategy. We, like you, Mr Thorn, can see that, in spite of agreements between the people responsible for research, the Council is vacillating in the name of budgetary stringency, while in Japan and the USA, both government and industry are embarking on vast research programmes into fifth generation computers. The severity with which you very rightly expressed yourself just now has our support.

Europe, you say, is in great need of being governed. And you added that lack of action by the normal decision-making bodies has led to the most technical dossiers being referred to the European Council. So once more I come to the conclusion — and I am not afraid of repeating myself on this — that the agriculture ministers absolutely have to decide agricultural prices themselves instead of sending the matter off to the European Council.

Mr President, we have very much appreciated the importance you attach to Mr Mitterrand's personal commitment. Although I am rather like a scalded cat who is afraid of cold water and rather wary of the European Council, and certainly of the traditionally fruitless way it operates, we agree with you that President Mitterrand is putting his personal prestige and the weight of this office at the service of the Community, without counting the cost in terms of time or energy, to foster the kind of understanding that will enable the European Council in Brussels to cut the Gordian knot of the past and open the way for a relaunching of the Community while holding out an ambitious view of the future.

We hope, as you have hoped, with such an achievement behind the Community, it will be possible to fix a firm date for completion of the negotiations with Spain and Portugal, or perhaps with Portugal alone, as the difficulties are often said to be mainly on the Spanish side. It would seem to be an accepted fact that the problems of Portuguese entry are considerably smaller. If that is the case — and it seems to be because the various parties involved maintain that it is

— why not start with Portugal alone, on the understanding that Portugal's accession to the Community, for obvious geo-political reasons, would have a very strong snowball effect as far as the subsequent accession of Spain is concerned? Lastly, the two countries of the Iberian Peninsula must be able to join a Community that is not in the process of disintegration.

I now come to the problems of external relations. What you said about Lomé II becoming Lomé III, Mr Thorn, was excellent. As we shall be having a meeting of representatives of the different peoples in Brazzaville next week, I think it would be better, while approving you now, to postpone the comments that this conference will give us the opportunity to make.

Still on the subject of external relations, I should like to ask you a specific question about the climate of our trade relations with the USA. We all know about the problems in the steel sector 18 months ago and we all know what happened about special steel. Last week I was reading in the papers that Bethlehem Steel had lodged another complaint triggering off threatening procedures. When we meet people from the American Congress, they complain constantly about our lack of flexibility on agricultural exports. Whenever one of us mentions the very considerable imports of soya and corn gluten — cattle feed, that is — they say that the USA could after all bring back its protective barriers against the Community wine, cheese and beer exported to their market.

A few months ago, the House of Representatives voted the Domestic Components Bill for the automobile industry. The other day I saw the full series of bills tabled in the Senate and the House by senators and representatives, some of whom are renowned for their moderation on the dangers of protectionism. I note that these texts abound and that the politicians say they are encouraged by the electorate or that the administration has to be encouraged — unless the administration says it is forced to take a harder line because it is threatened by Congress. I think that this is a subtle game in which the pretext and the real reason go hand in hand. I should like to ask you, since Mr Haferkamp went to Saratoga in the USA just recently, for one or two details of this very important problem, as I am sure that our group and other groups fear that, with clash after clash, the climate will finally degenerate into a real trade war between the USA and ourselves, leaving Japan out of it for the moment.

Mr President, Mr Thorn spoke of the scourge of unemployment and its disastrous effects in eloquent terms. Looking at the Commission's outline programme for 1984, there are one or two sound measures I am happy to find there. I quote: 'The Commission will continue to implement the action programme on the promotion of equal opportunities for young people and the contribution of local employment initiatives as soon as these have been adopted by the Council

Glinne

and will present a new communication on the reintegration into employment of the long-term unemployed'. So much the better. And a little further on: 'The Commission will continue to implement the action programme on the promotion of equal opportunities for women and is considering' — I find the word a little weak — 'the presentation of fresh proposals for legislation, notably with reference to self-employed women'. As for the reduction and reorganization of working time, 'The Commission will continue to campaign for reductions and flexibility in working time, which it regards as an essential weapon in the fight against unemployment, and it is already considering the action it should take once the Council has adopted its proposals for a recommendation, probably in June'. I should like to see a tiger in the Commission's tank here, as its vocabulary is rather disappointing, even if its good intentions are worth emphasizing.

On another page of our programme, still in the social sector, I see, on page 28, some excellent remarks on the policy of the Social Fund. The new provisions of the Fund constitute real moves to tighten up conditionality and strengthen the qualitative concentration of its objectives, by concentrating on appropriations in high and long-term unemployment areas and/or those involved in industrial or sectoral restructuring and making at least 75 % of the allocations available to foster employment for young people. These provisions will enable the Commission to play a more active role than hitherto in monitoring and evaluating operations and in promoting innovation in projects related to Community action programmes. This is all fine. What I am wondering, and this is certainly a question you are asking too — and the answer can be found in the Council — is no doubt where are we to find the means of financing that will enable us to implement them?

Since I am dealing with social matters, I should like at this point to congratulate Mr Richard on his interest in ensuring that the projected directive, known as the Vredeling directive, sees the light of day after all its peregrinations and that there is still substantial content to the text. I should also like to congratulate the Commission on its proposal on parental leave.

I shall end, Mr President, by dealing with the policy for recovery. We must now be thinking about the Europe of the second or even third generation, as you yourself say, Mr Thorn. Though I fear that the policy for recovery as it is emerging will prove inadequate. We on the socialist benches think that productive investments should be boosted at both Community and national level and that, at Community level, particular use should be made of NCI 3 and priority given to those regions where reserves of workers, unemployed workers that is to say, are particularly large. We are committed, on a special committee, to work which should define what a policy of recovery should be. I shall not anticipate the conclusions which we are far

from having reached, but I should like to say, here and now, that the Socialist Group, for its part, will be stressing the importance of an expansionist macroeconomic component.

And lastly, on the subject of recovery, I should like to lend our support to the Commission when it suggests consolidating the European monetary system and making more extensive use of the ECU.

I turn now to the Council to insist yet again — you have to go on insisting, even if it gets you nowhere — on its losing no time in accepting the Commission's recommendations on the subject.

Mr President, Honourable Members, I shall wind up with a point on which Mr Thorn's speech obviously flattered us. 'Parliament's role in decision-making', you said is not commensurate with the legitimacy the direct elections gave it. Parliament is an expression of the deep-rooted aspirations of the people of Europe. As such, it should have a much larger say in policy-making. I would like to see it sharing legislative and budgetary powers with the Council.' It was a great pleasure to hear you say so, particularly since we had a great institutional debate here yesterday.

Thank you, Mr President. I should like also to tell you that like you, we believe that the occasion of the European elections should be used to reassert the will for European construction and its political goal. If I had one recommendation to make, immodestly perhaps, to my colleagues and the media representatives in 1984, it would be to ban the phrase 'common market' from their vocabulary and replace it with 'Community'. This, I feel, would be a small step in the right direction.

(Applause)

Mr President, you were quite right to say on a number of occasions that the European institutions' capacity for non-decisions is quite simply enormous and damaging. As for the Commission, which we always obstinately consider to be our natural ally, I should say that sometimes — not very very often, but sometimes — it is partly to blame. It should always take care not to abandon either its role or its functions. I have often congratulated it and I should now like to use the everyday language of a car-driver to tell it that it does not warrant a red light and a green light would be too generous, so it should carry on with flashing orange.

(Applause)

IN THE CHAIR : MR NIKOLAOU

Vice-President

Mr Barbi (PPE). — *(IT)* Mr President, ladies and gentlemen, Mr President of the Commission, I liked the tone and I liked the stature of your report. What I like above all was that what you gave us was not a

Barbi

balance-sheet but a programme. That's what we want from the Commission. We also appreciate what you said in your report, or at least what we thought we could find there, in response to the question which my colleague Mr Macario and myself have put to the Commission, and we are satisfied with it.

May I nevertheless be permitted to make a few observations, because, as Mr Glinne was just saying, we must give the yellow light, we must give some sign of warning. We associate ourselves with the words of appreciation for the management of the crisis-stricken industrial sectors — Heaven help us if the Commission had not been there to do the managing! I am thinking of the steel industry, as the most glaring example. What would have become of Europe's steel industry, what would have become of this sector in crisis, what would have become of Italsider at Bagnoli — if I may cite an example close to home — if we did not have Community management of steel policy. All the steel-producing countries of Europe would today be on their knees before the competition from Japan, Korea, India, Brazil, Venezuela and others.

But where we are profoundly dissatisfied — and you, Mr Thorn, were kind enough to mention it — is in the area of the new policies, those which you have called the new challenges posed by history, in the face of which the Community has shown itself impotent. When it is a matter of managing industries in crisis, it is easy to fall into disagreement because we have to share out a cake that is continually shrinking. But what is truly incomprehensible — I am addressing myself here not to you, Mr President, but to the representatives of the Council — is why the Council — the Council which is at the helm of the Community, which makes the laws of the Community, which takes the decisions in the Community — why that Council fails to see that in the area in which Community agreement would be easy, in which no obstacles exist, no preliminaries need be settled, in the area, that is, of the new policies and of the management of technological innovation, of research, this Community agreement is an urgent necessity.

Why, then, does it not come about? You, President Thorn, have given us a clear analysis of the reasons, with which we fully agree; you used an apt description which, I imagine, we shall be using often in the course of the electoral campaign: the Commission proposes, Parliament persuades — nobody decides. Here is the true reason, here the crux: the Community needs government; we are not governed, we are a Community with a government that cannot come to an agreement and cannot come to a decision. And there is nothing worse than when a community, when any community, is without government.

But why should we be governed and what is the government to decide? President Thorn has given us three fundamental indications: containment of agricultural expenditure, budgetary discipline, increased financial resources. Only on the first, the containment

of agricultural spending, although we are in favour, we must point out a danger: this expenditure must be held back not merely because of the ceiling that we are about to reach, or even to pass, but must be contained rationally, by directing our agricultural output to a real market, the market of consumer demand, instead of an artificial market of price guarantees which lead to surpluses that cannot be got rid of. This is the logic that should be at the base of any reform of the common agricultural policy. Otherwise, if, in our preoccupation with the ceiling, with insuperable financial restrictions, we put a limit on every expenditure, indiscriminately in respect of every product, every region, every category of producer — big and small, real farmers and those who have never seen an acre of farmland and who receive guarantees and 'agricultural' payments for producing foodstuffs — if we do this then inevitably, necessarily, the individual governments will be obliged to try to come to the aid of agricultural producers. There is no other way.

And then will our ministers of finance — yes, take note gentlemen of the Council — then will our ministers of the treasury, our ministers of the economy — all those who today are so worried because an increase in Community resources might go against their austere budget policies — then will they find out what is the cost to their budgets of renationalizing agricultural policy!

Mr Thorn, what frightens us in this striving to keep down agricultural prices is that this trend leads directly to the slippery slope that ends with renationalization of agricultural policy. And this would not only be more expensive. It would also mean the destruction of the Community work we have accomplished in all these years ...

(Applause)

We agree with the need for budgetary discipline. You have said that there must be conciliation between the three Institutions, that Parliament's budgetary powers, which are under continual threat, must be fully preserved, that we must avoid as far as possible conflicts between the two branches of the budgetary authority. With this we fully agree. But the point on which we are most in agreement is, of course, that concerning increasing the Community's financing. We understand that we need first to decide on containing agricultural expenditure and thereafter on increasing the Community's own resources. But I would advise the Council to bear in mind that even if it were possible to keep agricultural expenditure within the present limits, or even reduce it, they should be under no illusion that this would allow them to avoid the problem of increasing own resources. New policies in technology, new policies in energy, in transport, the administration of the Lomé policy, which is both our duty and to our benefit — all these policies cannot be pursued unless own resources are increased.

Barbi

Mr President, may I be allowed to dissent from a statement you made in your speech. My disagreement is more with its tone than its content. You said that the VAT ceiling would be raised, but not removed because all the governments are in favour of this principle. You seemed almost resigned to this state of affairs. Well, we are not resigned. We are, President Thorn, supporting the Commission; this Parliament is backing the Commission, we are backing your proposal which, if it has a fault, it is that of appearing late, two years after Parliament made its proposal: perhaps because, as you have mentioned, we were deluding ourselves that the play of world prices would allow us to postpone the issue. We have lost two years, but we agree with your proposal, that is to say we are in agreement with a proposal that will remove the upper limit with all the safeguards that the Commission has indicated (Parliament's vote, unanimity in the Council as regards the new policies, etc.). But what we must do, is to free the financing of the Community from the constant necessity of ratification by the national parliaments. This, for two reasons: First of all, because there is a European Parliament which, if it does not have this task and this power, like all the national parliaments, of managing the budget, then it is hard to say what power it does have; as the European Parliament we have the duty to control the Community's finances. But there is another reason, and that is that the Community must be able to act in good time, and that is not possible in the absence of the financial means; already, we are seriously behind the United States and behind Japan because of this. You said it very clearly, President Thorn, we have the means and the will, we have the brains and the capacity — and we are not putting them together because we do not have the financial resources, and those we have we disperse in a dozen rivulets so that our financial effort, and our human effort, is nullified. For these reasons we are prepared to support your argument, and not that of the Council, even if it did enjoy unanimity. We must overturn their argument, we must make them see the unreasonableness of their attitude, we must recall them to the sense of responsibility, to restore a democratic and a European sense to their decision-making.

We are thus satisfied, Mr President, with your report and we hope the Community can make progress in the direction it indicates.

(Applause)

Sir Fred Catherwood (ED). — Mr President, Napoleon said: 'I don't like unlucky marshals', and we have an unlucky Commission. The President explains that it is not his fault; that it is the fault of the Council vetoes. It is very easy to explain what has gone wrong, but I think that Napoleon's harsh judgment was right. He did not appoint marshals to come to explain to

him what had gone wrong. He wanted marshals who would have the genius to produce victory out of defeat. We need a Commission in this Community which can do the same.

The Commission has a very precious asset. That asset is the right of initiative. No one else can propose, and no one else has the initiative. There are two ways of using this initiative in the face of the veto. One is to stand to one's proposals and refuse to make other proposals. The other is to adapt oneself to the reality of the Council veto, to be forced to the line of least resistance, to the lowest common denominator, to put to the Council what will go through and to call this sophistication *Realpolitik* and to treat anything else — the kind of things that come from here — as visionary and unrealistic.

The Commission began by choosing the line of least resistance, and now it has got into trouble. They have allowed the Council to acquire the real power in the Community without having the responsibility. It is not the responsibility of the Council to produce proposals. Indeed, as Athens shows, they do not have the machinery to produce proposals. They are not collegiate. They were not elected to govern Europe: they were elected to govern their own countries. The presidency of the Council changes every six months, and, to say the least, some presidencies are more capable than others. They do not have the time or the inclination to do more than to react to what is put in front of them. The *reductio ad absurdum* of this path was the Athens Summit, where the Prime Ministers themselves saw that to come together to negotiate milk quotas was ridiculous.

The President of the Commission is an appointed leader. The job of leadership is to mobilize political support. Now, that is not easy for an appointed leader, but there is actually no alternative to it. Though it is not easy, it is not impossible either. We in this Parliament are both collegiate and elected. We are the natural base from which support for European governments needs to be mobilized. There is no other collegiate and elected base but this Parliament. It is not enough for the President to descend from the Berlaymont and tell us what has gone wrong. He has got to tell us what we should do to make things go right, not only in the general terms in which we hear from the presidency, but also in particular terms. We have a relationship — all of us — to our own governments. If our governments are causing difficulty because they are exercising a veto, or they do not see the realities of the total European situation ...

(Interjection: 'It may be so')

... it may well be so on the part of every single government — it is not enough to come here and tell us afterwards that there is a problem with vetoes. I am not aware — and this is at the kernel of what I am saying — of the least attempt on the part of the

Catherwood

Commission to mobilize support from our own political group or its leaders in any of the problems we may have with our two governments. It is not enough to come and say that there is a general problem. We need to look at the particular details of that problem. We need to know what the problems of the Commission are and also the very real problems that each of our governments face. We need to get together to decide how those particular problems can be solved in the context of a general Commission proposal; why that proposal is absolutely necessary for the government of Europe and what can be done to overcome the problems of particular governments. This Commission has not, to my knowledge, done that at all. That is necessary if the Commission is to mobilize the support that is needed.

Even worse, when we try on our own initiative to mobilize our own governments' support for proposals from this Parliament — as I have done because I thought it was my job to do so, on Parliament's proposals on agricultural trade — we are faced with the problem that the Commission's proposals are the opposite of those of the Parliament and are adapted to what they see as the vetoes they are likely to get.

So, although the British Government would undoubtedly have liked to support Parliament, there was no mechanism by which they could do so. I do not believe that the breakdown of the Athens Summit need be final. We have got to do what we can. But it is getting late for this Commission and this Parliament. I think we must now, as we face up to the elections, begin to look ahead to a Parliament and a Commission which operate more closely together, to a Commission who actively mobilizes parliamentary support, which tells us the realities of European life so that we can pass those realities on to our governments, and which comes down here and spends time discussing these things with us and which does not allow itself to be locked up behind the closed doors of an unaccountable Council.

(Applause)

Mr Fanti (COM). — *(IT)* Mr President, I have read, and hence heard, President Thorn's speech with great attention. If one wanted to define it, I think one could hardly avoid the word 'evasive'. And that disappoints and worries me. This is no time for superficial analyses that have no lasting value. What we have heard today, we have all been hearing, repeatedly, these last two months; we have read it in many newspapers and we find it in many speeches.

From a politically responsible body, such as the Commission — or such as the Commission ought to be — we could have expected something very different. The contrast with this House's vote last night could not be greater. And that in itself is a measure of the crisis in which the Community now

finds itself and from which we must extricate ourselves if it is not to overwhelm us.

This is the hour of new ideas, of a wind of change, and I believe also, of new men. When yesterday this Parliament, despite the marked political differences within it, voted the draft of the new treaty by an absolute majority, it showed that there is something that goes beyond and can overcome these differences. That something is the clear recognition that the root of the crisis lies in the fact that the European Community as it now exists, with the powers that it enjoys and the financial resources of which it now disposes is altogether not up to facing the problems and the issues arising from the economic and social situation in today's Europe, which is no longer that of a quarter century ago.

In Parliament today there is full awareness of this. But I do feel that there is no demonstration of this awareness on the part of the Commission, which we must judge not by its words but by its actions. Thus, it is pointless to delude ourselves, for instance, that the Community's progress depends in any significant measure on some procedural problem. Unanimity of decisions, Mr Thorn, is today an integral part of the condition of survival of the Community. To eliminate it, something more fundamental than just a procedure will have to be changed.

We know all too well the milestones marking this retrograde road: they measure the life of the mandate of the directly elected European Parliament, the mandate of 30 May 1980; after that, from fiasco to fiasco, we came to the Stuttgart Summit of 1983, to the total and utter failure of Athens; now new deadlines are looming: soon the Brussels Summit, then the Paris ... and so on, all in the same style.

All this goes to show one simple fact: the present Community is finished. It is absurd to try to look for solutions within the present Community situation, within its policies, its financial resources, its institutions. The Community, we say, must be founded anew, both in its policies and its institutions, it must be provided with the financial means needed to enable it to face the challenge of today's world which, as we know, means the challenge of industrial competition from the US and Japanese industrial giants.

Unless we act quickly, Europe is doomed to decay, doomed, above all, to conquest by the exports of other countries and hence to a pernicious economic and political decay. All this, at a time when, politically, the state of tension reached in the relations between the two great powers — to the East and to the West — calls more urgently than ever for Europe to take its place as a factor for mediation, for peace, instead of confrontation and nuclear rearmament.

Here lies the role and function of a regenerated Europe founded on the working classes now that the old economic and political leading classes have shown

Fanti

themselves incapable of dealing with present-day problems. I believe that neither of the two great powers looks favourably on a Community Europe that can perform a political function, that can constitute in the world as it is today a focus, not of armed power, but — mainly because of its economic power — a focus of a variety of political relations. Europe's economic strength is very inconvenient to the world's great industrial powers, intent as they are on winning the competition stakes.

It is hardly credible that the Commission, while aware of all this, seems almost afraid to tackle these major issues. In the Commission's framework programme the conflict with the United States which can accurately be described as a trade war, is dismissed in three lines. When we denounce this state of affairs it is not because, as Undersecretary of State Eagleburger charges, we adopt a 'Eurocentric' stance. It is because we want to build a Europe that is an active agent, not a passive object, on the world's political stage.

In any event, in the face of the shortcomings of Community policies in the sectors of research and of the new technologies, European industries of any status cannot afford to wait for the Community institutions and the political forces to catch up the time they have lost. They are trying to conclude direct agreements with the American and Japanese multinationals to solve their urgent problems in this way.

But if this is how things are, and I believe this picture is accurate, then the Community now needs a very different executive Commission — no longer one that is relegated to the role of secretariat for the Council.

And again, with reference to the two possibilities so dramatically presented in this House by Mr Thorn — who is not listening to me, but whom I am addressing directly — with reference to the link between the Community's resources and agricultural expenditure, I should like to know what the Commission is doing to induce the Council to take these decisions. Would it, for instance be useful to put forward and maintain proposals which are being made concerning national contributions, pending the final resolution of the question of own resources? What is of no use at all is that the Commission should wait passively, fatalistically, to see whether the Council can reach a decision.

Speaking of the Council's secretariat, I want to let the House know that we shall soon have to discuss it, if only in connection with the idea put forward by the French Presidency of setting up a new secretariat for the Council. This was the undertaking given yesterday at an informal meeting between the French Minister, Mr Dumas and the group chairmen and I think we shall have to discuss it soon.

The problem before us is that we need a different Commission, one that can discharge a political func-

tion in guiding the Community towards recovery and renewal. The Commission should stake its authority on this political battle which should now be waged not in the diplomatic corridors of power but in the open, and waged boldly, visors raised. Unfortunately, I have to say that that has not been the way of the present Commission. And this is why, to revert to the metaphor used by Mr Glinne, I opt for the red light and call 'Stop!' to any suggestion that the Commission's mandate should be extended by another year, as is being whispered in the corridors here.

Perhaps the need for speed has made me sound brusque and hard. Let me explain that my criticism is not directed at any individuals in the Commission. On the contrary, I want to repeat my appreciation of the work done by the Commission and first of all its President, Mr Thorn.

(Applause from the left)

Mr Bangemann (L). — *(DE)* Mr President, I have listened very carefully to Mr Thorn and both the previous speakers. I sometimes get the impression that even convinced Europeans talk at cross purposes and I rather feel that both Sir Fred and Mr Fanti have missed the point as regards what Mr Thorn said and what his job involves.

First of all, it is clearly the Commission's task to state the facts. If the situation really is as President Thorn has described it, then he cannot be blamed for describing it accurately. We must, of course, examine the position and consider whether the Commission has done all it could to avoid this situation or, if it was inevitable, to find a way of overcoming the problems.

This is what I should now like to do. Of course, time is short and I may perhaps overstate the case under pressure. But it seems to me that we should reconsider our own position. For example, many speakers complain of a lack of political resolve. What does this really mean? It could mean that this resolve does not exist because those concerned want no part in it. But it could also mean that no one is forcing them to take a stand. Political resolve is not something that forms part of the daily routine like an eight-o'clock shave, it is formed by the force of circumstance. All of us, in Parliament and the Commission, must consider what changes are necessary so that the political resolve to create a united Europe does not falter.

I would like to use a metaphor from a country whose belief in Europe has never been challenged: Holland. Let us imagine that there has been a flood. For whatever reasons, the dikes have broken and a deluge has swept across Europe, leaving only scattered patches of dry land. The livestock have drowned and people are asking each other: Could we not have foreseen this? The task now is to get to work and find our feet again.

Bangemann

What is the first job? To discover those responsible for the disaster and to ensure that they do not supervise the dikes in future. The Community has no system of political responsibility. The people of Europe cannot punish the anti-Europeans firstly because they do not know who they are and secondly because the only sanctions, for example at the ballot box, cannot be used against them.

The Council hides behind this lack of responsibility and either acts irresponsibly or not at all. Under the present system we cannot break down this wall of political responsibility and find the culprits, and this is one of the first things we must change.

One example of how this could be done — and I am not electioneering, this is not the place for that — was the meeting we organized in Stuttgart for leaders of the Liberal parties and Liberal ministers from national governments to see whether we alone could achieve what the Heads of State or Government had failed to do in Athens. We took a great risk and I have to admit that the discussion began exactly as it must have done in Athens. Everyone defended their own sacred cows and to my great astonishment I heard people talking about agricultural policy and defending their national interests in a way that I would never have thought possible.

During the discussion, however, we realized that it would be a political fiasco if at the press conference the following day we had to admit that even when Liberals tackle the problems on their own no better solutions are forthcoming. So we all knuckled down and finally achieved a solution which may not have been quite what everybody wanted, but which was feasible, and which, if it had been agreed on in Athens, could have been feasible for Europe as a whole.

We ought, therefore, to consider how the Council could be obliged to face this kind of political responsibility, in such a way that the individual Council members were subsequently accountable. Hence my question to the Commission: Why are Council proceedings not published? If I wish, I can obtain a copy of Coreper minutes — and without subterfuge, I should like to point out. Reading through these minutes, particularly the remarks of individual national representatives, I am obliged to ask myself again and again: 'Did this really happen? Can this be true?'

Let us consider for example the remarks of a German representative. How can a German official in Coreper put forward one opinion when the West German Government is saying something quite different? Surely the Commission could say: This or that Member State took this or that position in these discussions. Discussions could begin in the Member State in question and the government would have to justify itself.

A further point concerns the question of majority decisions in the Council. I am convinced that the intro-

duction of majority decisions in Council would improve the situation. But, for example, would it not be possible for the Council to have better working documents taking the European view if the officials were able to make their careers in Europe and were not obliged to return to national careers in national ministries? Are there not simple, everyday reforms that would improve the situation? For example, a Coreper official knows that he will return to the German Ministry of the Interior. He may take a more European view while he is with Coreper than he would in Bonn, but he will always bear in mind what his colleagues may think when he returns to the Ministry of the Interior, and this will hold him back from a wholehearted commitment to Europe. These are minor changes which could be made and I believe we should embark on them.

To return to the metaphor of the flood: What is to be done? The remaining dry land must be protected. Mr Thorn has justifiably pointed out that we do have some concrete achievements to be proud of, for example a European fisheries policy that works. I will never forget how surprised President Thorn was when he held a press conference in Brussels to announce that the 'blue' Europe now existed and nobody was interested any more.

For years the press has been reporting that nothing is ever achieved, so that when something is achieved no one is interested. Particularly to you, Sir Fred, I would say that we must stop behaving like Jeremiah. Sir Fred had brought his bible along and hoped to quote from it, but was prevented by lack of time. For a change, I have plenty of speaking time today and will be able to quote from his bible later.

We should abandon modesty for once and show what we have achieved which includes the fisheries policy and the growing influence of the ECU, which has in fact developed into a parallel currency, in part independently of political activities. There is no call to hide our light under a bushel.

We ought to consider, together with the Commission, how we can create such areas of dry land outside politics, or rather, away from the direct influence of political decisions. This could be in the field of technology and, in my opinion, in certain areas of law too, and also in an area where, unfortunately, our record is not too good.

Pascal once said: *'Le coeur connaît des raisons que la raison ne connaît pas'*. This Europe has not yet become a Europe of sentiment. The people of Europe do not have the same feeling for Europe as they have for their own countries. For example, I see Mrs Boserup in front of me. I always listen very carefully to her suggestions and reservations regarding Europe. Sometimes I have the impression that her reservations on Europe stem from her genuine feeling of what it is to be Danish, to live in Denmark. She loves her

Bangemann

country and does not feel the same emotion for Europe. We must ensure that people do feel the same emotion for Europe and this is the main task of cultural policy. I would be very pleased if the Commission could be more active in the cultural policy field over the next few months and this requires no decision by the Council of Ministers.

Cooperation between universities, which is already taking place, only needs a little financial support and this requires no regulations, just a decision, which has already been taken. Parliament took this decision, despite the difficult financial position. Do something! Create integrated study programmes. Many European universities have been pioneers in this field, they should be encouraged. Consider for example a European media system. We have no European media system. Everything we do takes place in something of a vacuum because there is no counterpart in the media. Perhaps we should do more to promote a European television service as a sounding board for our achievements.

To remain with the metaphor of the flood: new dikes must be built. Certain areas must be inviolate. I refer here to an addition to Mr Thorn's speech. His speech was distributed and then an addendum, which he incorporated word for word. I do not know whether this was deliberate but greater attention is often given to such additions, because they usually contain points not included in the original text. I therefore read it most carefully. It concerns the 1984 budget and Mr Thorn said that if there are no decisions on agricultural policy, no decisions on own resources, money from the Regional and Social Funds will have to be made available for the agricultural policy. I must make it quite clear that you may be considering this, but at the same time I would issue a solemn warning. Parliament will certainly not stand for this. The 1984 budget has already been adopted. If money is to be taken from the Regional and Social Funds, this can only be done by a transfer of appropriations, which requires Parliament's approval. It does not take much of a prophet to forecast that the European Parliament will not agree to money from these funds being used for agricultural spending. I simply cannot envisage this.

Sir Fred quoted Napoleon. Perhaps it is recognition of Europe if a member of the British Conservative Party quotes Napoleon. To this extent it is welcome, but I feel that a comparison of the Commission with Napoleon's unlucky marshals is unfair to the Commission. At least Napoleon's marshals had armies, ammunition and an opportunity to join battle, whereas the Commission is stuck in the same position we are. We have to work with the Council, and if the Council shows no interest, then this is not easy. Perhaps, Sir Fred, it might be better to quote Lord Nelson if we wish to criticize the Commission. It is well known

that, before the Battle of Trafalgar, Lord Nelson hoisted the famous signal: England expects every man to do his duty. This is the crux of the matter: whether the Commission has done its duty. I think more is called for than has been the case so far. More imagination is needed.

I have given a few examples. If the Commission takes up these suggestions imaginatively, then in my opinion it should be able to give a good account of itself even in difficult times. But its performance is not as bad as Sir Fred paints it. In conclusion I would like to quote from Sir Fred's bible. We find in the book of Proverbs: *Lazy hands make a man poor, but diligent hands bring wealth.*

(Applause)

Mr Vié (DEP). — *(FR)* Mr President, Honourable Members, one can only support Mr Thorn's speech — excellent, as always, in form and content — on the state of the Community, its crises and its hopes. The small amount of time at my disposal is not enough to reply on the substance, so I shall merely touch on certain points, mainly of a political nature.

It is increasingly obvious and disquieting, I think, as the elections approach, that there is a widening gap between what the voters expect from the Community and what the Community can actually achieve. Mr Thorn himself said that the Community's record was poor, yet, when the Community sticks together, it does get things done.

You also, Mr Thorn, put what to my mind is the crux of the matter in one particularly neat phrase — Europe is not governed. So our problem is essentially political and not, as is often thought, institutional.

The Treaty is not perfect, certainly, but let us at least make it work. I am well aware that I shall be told my position is an illogical one because unanimity is not provided for in the Treaty and the group to which I belong is particularly attached to it. Being keen on unanimity is not a failing on our part. It is simply a conviction that it will not be possible for the governments to make the necessary effort to reach the compromises that will bring them together without this difficult constraint. In any community, big or small, you must compromise if you are to live together.

Europe is not a State, whatever we may want, do or hope. It is a community of interests and it can only thrive and develop if there is a constant willingness to compromise — and so, once again, a political willingness to live together and make progress.

That is why I think our essential role in the Commission and Parliament — and I think that there Mr Thorn is putting all his strength and all his conviction into it — is to put constant pressure on the Council, it is for us Euro-MPs to put pressure on the electorate and through the electorate on the national govern-

Vié

ments to get them to take the fundamental aspirations of the voters seriously, to get a European Community built that is economically and diplomatically strong and create, on this old continent that has already given the world so much, a sphere of peace and security and a sphere of freedom which will be contagious but remain infinitely fragile.

Honourable Members, there are few areas of freedom and democracy in the world, but we are lucky enough to be living in one and I think our first duty, our essential duty, is to consolidate the structures that enable us to live freely. Whether the structures relate to the economy or the intellect or the mind, our first duty is to tighten the screws so that the demons that plagued our peoples not so long ago can never return. The economy was the thing initially chosen to cement this emergent Europe. It is no longer adequate for this union. Progress must be made in every field and it is only when the peoples of Europe display active political, cultural and intellectual solidarity that it will be possible to make progress with the political union of Europe.

Mr Skovmand (CDI). — *(DA)* Mr President, the President of the Commission, Mr Gaston Thorn, does not have a very happy background against which to make his introduction. The agricultural policy is in ruins; the economic crisis and the level of unemployment are worsening. This should be an incentive for a review of Community policy and action, and Mr Thorn does do that to some extent, when it is a question of the agricultural policy. When it is a question of the Community as a whole, however, we look in vain for a recognition that the Community is pursuing the wrong policies. In the view of Mr Thorn and the Commission, everything can be sorted out, as long as we go even further. The Community must have more money, the Community must have closer currency cooperation, the Community must harmonize more, and we should have a centrally managed technology, just like the United States and Japan. This, in broad outline, is the message reaching us from the Commission, so there is not much hope that things will get better in the future.

In Denmark we can see what is happening in Norway, Sweden and Finland, our northern sister countries which, in 1972, had enough sense to stay outside the EEC. They have economic and social growth, and unemployment which is well below that in the European Community. I think the Commission would be wise to study what is happening in those countries and what can be learned from them. Perhaps it would make the Commission realize that countries deal with their problems best in freedom, and that what is wrong with the Community is precisely that it has taken mutual cooperation and mutually imposed compulsion too far. As the situation

stands we observe, at least in Denmark, a growing resistance to membership of the Community. It will not disappear just because the Commission comes along to rain down gifts and money projects in the run-up to the European elections in June. This despite all the money we have ourselves paid in the past. The Commission simply took away half of it before we saw it again.

I would say finally that on one point I am in agreement with the Commission and Mr Thorn. This is that there should be fewer meetings of the European Council and more of the Council of Ministers. But my reasons are different to those of Mr Thorn. We prefer the Council of Ministers because, in spite of everything, the small countries still have a right of veto there, which they do not have in meetings of the Heads of Government.

Mr Eisma (NI). — *(NL)* Mr President, I should like very briefly to discuss just one aspect, the Commission's position during the preparations for the European Council and its decision-making. Everyone agrees that the summit meeting in Athens ignored the written rules on decision-making, the written rules laid down in the Treaty. You of the Commission, Mr Thorn, were banished to a corner. The European Council did not discuss your proposals but proposals drawn up on the Council's initiative. The attitude of the present President of the Council, Mr Mitterrand, leads us to fear that the same situation will arise at the forthcoming summit meeting. After all, the many bilateral contacts the present President of the Council is seeking with his counterparts may mean that the Commission's proposals as such will again be ignored. What is the Commission of the European Communities going to do about this? What are you, Mr Thorn, going to do about it? What conclusions are you drawing from this situation? Will it not soon be time for you to threaten to resign? You surely cannot allow a repetition of this humiliating experience without drawing the logical conclusions. Even if your right of initiative no longer applies, you still have the right to resign of your own accord.

The oral question put by Mr Mocario and Mr Barbi broaches the subject of the Commission's role after the last European Council meeting, but I do not believe it goes far enough. That is why I have just put these explicit questions. If the Commission takes initiatives to strengthen its position, it must surely take cohesive decisions as a body. The way in which the Commission put forward the financial proposal last November did not in any way indicate that cohesive decisions had been taken. They were submitted too late, and the British Commissioners immediately dissociated themselves from the Commission's position. That is, of course, a bad thing, a very bad thing, and I appeal to the Commission to ensure that there is no recurrence of the situation we had last November.

IN THE CHAIR : MR KLEPSCH

Vice-President

Mr Croux (PPE). — (NL) Mr President, on behalf of my group I have a few brief comments to make on the Commission's report and programme, with particular reference to the institutional and political aspects. I shall be very brief.

As regards the institutional aspects, we have heard an interesting discussion, in which Sir Fred Catherwood, Mr Bangemann and others have taken part. What Sir Fred Catherwood said, however, prompts me to comment as follows. He said — and rightly so — that the Members of the Council are chosen to guide their countries and, referring particularly to the Commission, that it must take initiatives, that it must prepare its proposals better, and that is also true. But I believe it must never be forgotten that the Council also has the responsibility legally, morally and politically to guide Europe in accordance with the Treaty. If this is not so, if the Council does not feel politically — I would almost say constitutionally — committed to ensuring that the Community is governed, that decisions are taken, it will fall alarmingly short of doing its moral, democratic duty.

It is true that the Council is elusive. All the people of Europe see is the Council appearing on their television screens at the entrances of usually magnificent palaces, reminding them perhaps of the appearance of the monarch of some *ancien régime*, but when it comes to democratic responsibility, transparency, public deliberation and decision-making, there is an alarming lack of what I would venture to call giving shape to a new democracy for society in Europe, and that is the major problem we face.

Mr Thorn's statement reminded me of the speech of an opposition leader in a national parliament. He said the Council is largely incapable of taking decisions, which is saying a great deal, and we can only conclude at the end of his speech that the Council must go, it is not doing its duty, it is not performing the task which is set out in the Treaties and which is in fact a response to what the public has said it wants in elections, including those to this Parliament, and in opinion polls. We, of course, appreciate the efforts the French President is making at the moment during his visits to the various capitals. We hope that the great efforts he is making will be successful. But the Council must realize that it is primarily responsible.

My second comment is for the ears of the Commission itself. Parliament wants to be more closely involved in legislative activities, and the Commission has itself drawn up a proposal to this effect. It has many good aspects, and I believe Parliament must approve it before the elections. I do not believe lengthy negotiations are needed in Parliament's

Committee on Institutional Affairs. We have a text, an offer, a proposal. I believe we must approve it without too much discussion so that it may be implemented.

The third comment I wish to make on behalf of my group, Mr President, concerns the problem of the accession of Spain and Portugal. You have emphasized once again how this problem is linked to the financing problems, the institutional problems and, naturally, the economic situation in the Community. But here again, it is the Council that must take the ultimate decision and state clearly what is going to happen. My group stands by its view that these countries must accede as soon as possible. Commitments have been made in the Treaty and in numerous declarations. Parliament stated its opinion unambiguously a few months ago, when discussing the Douro report. We know this is a difficult matter because of the connection with the financial and institutional problems. But this too will show whether this Community is really being governed by the Council. If this proves impossible, many people will wonder what form European development will take.

The hard core in a Western European Union is referred to in a fairly vague way. We appreciate that there are differences of degree, historical tradition and so on. That cannot be ignored. We also appreciate that Europe must develop in a suitable way *sui generis*. But we believe that sooner or later the time must come when an answer is given to the question that you, Mr Thorn, and others have put so frequently: what kind of Europe do we really want, what are we going to do together, and what can we not do together? And we must then draw the conclusions.

As the chairman of my group has already said, we listened very closely to what you had to say on the Commission's behalf. We wish you every success. The next few days will be very important. The Commission is doing everything possible, of that we are firmly convinced, although it may be acting rather belatedly in some respects. It has Parliament's support. It is now up to the Council.

Mr Kirk (ED). — (DA) Mr President, as usual Commission President Thorn gave a very inspiring speech here this morning. There are many ideas in the speech and in the Commission's programme but, when we boil it down to essentials, I also think that the Commission President made a clear statement of the Commission's impotence faced with the situation we are in in the Community. The Commission admitted that it is not merely faced with one opposition, but with ten irreconcilable oppositions. That is in reality where the problems are to be found, if the Commission is to get its proposals through.

But is the Commission itself without blame in this? Is not the Commission itself partly responsible for the

Kirk

impotence afflicting it at the present time? I think we must say that it carries a very large measure of the responsibility. The Commission has in many vital areas allowed itself to be forced into a policy which is irreconcilable with the principles of the Treaty of Rome. I am thinking in the first instance of the Commission's attitude to the budget problems. One of the basic concepts for the financing of Community activities is, after all, that there should be solidarity in financing and a certain payment mechanism which is not based on how much the Member States get out of the Community but on how much they are able to pay in relation to the stake they have in the large European common market.

But what has the Commission done here? It has allowed itself to be pressured by a Member State into starting to make repayments and, even if it has not altered the principles themselves, it has shown weakness in the face of a Member State which is strong enough to block matters in the Council of Ministers. It has thus set aside financing solidarity in favour of a mechanism which is gradually becoming impossible for any of us to comprehend and which is quite likely to destroy the Community from within. It is in effect the same as what happened in 1966, when French President De Gaulle imposed the Luxembourg Compromise, an event which has since been one of the factors holding up the development of the Community.

I should like to mention another area in which I also feel the Commission is in the process of renegeing on the ideas and principles of the Community: the agricultural policy. When we look at the Commission's proposals over the past two to three years — as Mr Thorn has also said — and at its programme for 1984, it is indeed remarkable that we have a liberal politician heading the Commission. For what is being proposed in reality? What is proposed is a full-blooded planned-economy agricultural policy; the concept of a free market for agricultural products — with a certain safety net for the producers, since such a safety net is also in the consumers' interests in the long run — is completely repudiated. What is being proposed is a quota system for agriculture which can very easily lead to a national fragmentation of the right to produce agricultural products. It is highly questionable for the Commission to have gone as far as it has, and I cannot see how it can be reconciled with the basic principles, the liberal ideas, which are actually embodied in the Treaty of Rome. We are proceeding in a distinctly socialist direction, and I strongly urge the Commission to change course.

But what is the reason for this? Have the Commission's officials and the civil servants in the national governments effectively taken power because things have become too complicated for the politicians? Is that what has happened, Mr President? We may well fear that that is the road we have begun to travel.

Let me mention the final area in which I also think that the Commission has reneged on the basic principles of the Treaty of Rome. It was when we got the common fisheries policy in 1983. The Commission went so far as to allow Member States to introduce national arrangements which clearly discriminated against the citizens of another Member State. Is the Commission really fulfilling the obligation incumbent on it, which is to defend the Treaty? Has it not instead become embroiled in a policy of blackmail, which it can no longer resist, and under which the Member States are constantly stepping up the pressure on the basic principles of the Community, slowly causing it to break apart? I strongly urge the Commission to change course and return to the Treaty of Rome, to defend the principles embodied in it.

Mrs Le Roux (COM). — (*FR*) Mr Thorn, when you commented on the failure of the Athens summit at the last sitting, you played the innocent by asking a number of questions.

How come the same questions come up at European Councils years apart? It is self-evident to say that the questions go on cropping up because they haven't been answered. And they haven't been answered because the solutions that were proposed and implemented in the Community weren't the right ones.

Logic and common sense would suggest that we try out other solutions which are just waiting to prove their worth. This is not, unfortunately, what you are doing at the moment.

When I listened to what you said, Mr Thorn, I remembered one of our sayings — You know the builder by the wall. There are more and more cracks in the European wall — a soaring dollar, more unemployment, stagnating production and declining purchasing power — and in many places it is crumbling under blows from the American offensive.

A good builder would pick up his tools and get down to work at once to put things right and consolidate the wall. I grant you, Mr Thorn, that sometimes, when the damage is too obvious and people react, you do patch it up and produce a sprinkling of social measures. But that is only plastering over the cracks. Unfortunately, in most cases, you get a demolition man's pick-axe instead of a bricklayer's trowel. Go and ask the steelworkers or the people in the shipyards or the textile industry what the European Commission stands for!

Brussels, as far as they are concerned, is synonymous with closure and redundancy and the running down of the regions. Why stick with this? We should learn a lesson from the failure of the austerity policies. We are now at a time when action and decisions are called for in industrial policy. We need vocational training and job creation and economic recovery. You will find no way out until unemployment is put at the heart of the economic and social policies of the Community.

Le Roux

The European elections are in a few months' time. Do you really imagine that the results of this policy will encourage the citizens and make them more committed to the construction of Europe than they were before?

The French farmers, who heard so much about the benefits of the common market for years, are increasingly aware of it and, in a recent survey, 59% of them said they thought they had suffered under the common market and only 38% thought they had benefited. These figures are food for thought. They are both a confirmation of our analysis and the result of our action — which has helped dispel a number of illusions.

The Commission does not deny that there was a more or less general drop in farm incomes in the EEC in 1983, but it cynically declines to take it into account. It is even proposing to make the situation worse by freezing agricultural prices and making a large cut in EAGGF spending. And I echo my comrades here — this is intolerable.

It has to be recognized that the Commission has had encouragement and found allies and support in this House. Was it not you, Mrs Scrivener, who, by wanting to block ECU 825 million in a reserve fund, gave sound arguments to the Commission and its economy measures? Was it not your group, Mrs Veil, that just adopted its European election manifesto in Stuttgart and is calling in particular for a prudent price policy, the introduction of guarantee thresholds and the abolition of aids for production?

With these proposals, the Commission has failed in its duty, Mr Thorn. Article 39 of the Treaty, which provides for the agricultural population to have a fair level of income, has been flouted.

You justify yourselves by hiding behind budgetary pretexts. Let us look at them. Revenue first. Look at the reports of the Court of Auditors and you will see that there are masses of funds available. Extra revenue would be possible if the Community preference was respected more and vegetable oil and fat imports were taxed, for example. And let us not forget the appropriations earmarked for the reduction of the British contribution once more — which would mean farm prices could be put up by at least 7%, to quote the Commission itself.

Let us look at expenditure. It is true that the present economic situation has helped push it up, but the Commission has its share of the responsibility because of unsuitable management measures, not forgetting the carry-over of ECU 400 million from 1983 because certain advances were suspended. Greece's entry also brought new expenditure, which bothers the enlargers who are pushing for more countries to join without spending anything.

The increase in spending is essentially due to a failure to respect Community principles. Community prefer-

ence is tending to become an exception to the principle of free trade. More and more funds are needed to export and stock Community products because of competitive imports for which derogation has been granted. Financial solidarity is being flouted by Great Britain. And as for price unity — where has that gone? Try asking the French farmers who are subjected to the infernal machinery of the MCAs. How could they go on coping with such distortion of competition? Is it right for a French milk producer to get five times less than his Dutch counterpart from the EAGGF? Is it right for a French pig-farmer to get 20 less than a Danish pig-farmer? Is it not an aberration to see that today it is the countries with the least respect for Community principles that get the most out of the EAGGF?

That is why the French members of the Communists and Allies reject the Commission's narrow budgetary approach which results in a brake on production and a reduction in farm incomes. They propose putting the CAP back on its feet and giving it fresh dynamism. First of all, something has to be done about the distortion of competition which penalizes French agriculture especially. The common agricultural policy has to be made fairer so that it only benefits the small farmers and not the industrial ones who process the by-products of the American food and agriculture industry. There is no doubt that the improvements we propose, which can be applied now, would be lost with enlargement of the Community — the consequences of which would be as serious for the applicant countries as for many regions of the Community itself.

Unlike some people, we think that nothing has been settled yet. In many fields, agriculture and fisheries, for example, negotiations have not even started. We have already managed to prevent the enlargement scheduled for January 1984. We can give practical shape to this result and transform the damaging integration of the applicant countries in the EEC into mutually advantageous cooperation.

The Commission has often regretted that agricultural spending has exceeded its forecasts because the European Parliament has voted and the Council decided on higher price increases than it did, particularly in 1982 and 1983. This is one of the successes of the small farmers' struggles that we have made an effective job of relaying in this House. It proves that nothing has been settled yet and that the farmers are not hamstrung in Brussels. Indeed, the Commission has just had its first failure in stating that it is willing to recast its proposals. We must capitalize on this and get the Council to take decisions that will improve farm incomes, save the development of our agriculture and promote all these assets.

Mr Nordmann (L). — (FR) Mr President, when I listened to the Commission's outline programme for

Nordmann

1984, my feelings, I have to admit, were mixed. I was satisfied when I heard a synthesis which not only grouped all the problems together, but which, above all, has the merit of putting them in order of importance, in perspective, and outlining, however tentatively, a strategy for breaking the Community deadlock. Here, I think, we should thank the Commission and its President for supplying a master plan which all sincere, convinced Europeans must accept in good faith.

The feeling of satisfaction, however, was tempered, I must admit, by a certain discomfiture as to the actual nature of the declaration, its sometimes liturgical character, if I may say so, imparted by the repetition of certain points, the kind of psalmody of urgent matters and missed deadlines which underline to precisely what extent — as some have already said and other will perhaps also say — today's debate is inseparable from the debate we had yesterday. Directly or indirectly, it raises the problem of the existence, or non-existence, of a Community political will and, it must be said, an institutional deadlock.

At the moment, we have a Community where all the deadlines and all the problems are laid down and everything that is at stake is clearly defined. In other words, we have a map on which all the roads are charted, but our vehicle doesn't go. That is the present situation and it is founded on a contrast — and how painful it is! — between the brightness of the prospects and the total absence of movement. Great light in understanding must be followed by great determination of the will, said Descartes, three hundred years ago. We have to admit that, today, the European Community is singularly Cartesian and involved more with this perverse form of non-will that our philosopher Renouvier called 'nill'.

The great theme in the election campaign just beginning will assuredly be how to go from nill to will. This assumes a strict definition of responsibility. It also assumes we do not sink into an all-too-easy interinstitutional conflict.

It is, indeed, too easy to bring charges against the Council itself when the will of the Member States is so divergent that the Council is paralysed by that lack of will perhaps as much as by its own machinery — even if, historically speaking, certain responsibilities must be acknowledged and even if the abusive use of the right of veto has to take a measure of the blame. But I think we should beware of a maybe simplistic and, if I may say so, misleading and ill-suited picture of constitutional notion of separation of powers which could lead us to think that the Community can only be democratic if the powers that make it up are in conflict. Systematically praising one institution to the detriment of the others would be a dangerous and all-too-easy slope to slip down. There is — and I think we have to be aware of this on the eve of the campaign that is filing our horizon — coresponsibility

for the failure or, at all events, coresponsibility for the deadlock.

It would, once again, be far too easy to reproach the Council for failing to take decisions when the decisions have not always been prepared for by what I would call educating people in the art of compromise. If we are to save Europe, then we have to be able to create a Europe of compromise. Reaching compromises is not compromising Europe. It is making it progress. And a policy of compromise supposes that the sacrifices each party needs to make to safeguard the higher common interest is put down in black and white. It is on this condition, it is if we develop this idea of educating people in the art of compromise, that we can — as we hope — move from the indictment to the real programme and avoid the reading of the charges becoming a requiem mass.

(Applause from the centre and the right)

Mr Pesmazoglou (NI). — *(FR)* Mr President, I should like to emphasize the dramatic aspect raised by the President of the Commission's whole message and, in particular, certain specific problems affecting all our peoples.

On this occasion, I should also like to point out that, in all the initiatives it has taken, the positions it has taken up and the solutions it has proposed, the Commission has performed its tasks in what is certainly a positive manner. I should also like to draw your attention to the fact that our peoples are in a really serious situation because of the common interest — and I stress this, the common interest — of the Community taking action to overcome the problems of recovery, of the danger of industrial decline in Europe, in all our countries, and of the immobilism and inability of several of our governments when it comes to running specific schemes to deal with this. I think that the President of the Commission was trying to emphasize all these points, which constitute a really dramatic situation. It is Parliament's responsibility to get this message across to our peoples and our governments.

Having said that, I should now like to underline three points from Mr Thorn's speech.

First, overcoming the problems means committing ourselves to three different things — one, ensuring recovery, a very complicated task, as Mr Thorn has just explained; two, making progress with the reform and strengthening our institutions. I think I can say that the result of yesterday's vote is a positive sign and I hope that public opinion and the governments of our countries will be aware of the fact that, this year, a remarkable majority voted for a new Community constitution; three, revitalizing the European cooperation policy and, in particular, the development of a common external policy and a common security policy. These are three interdependent things, as we should be aware.

Pesmazoglou

Second, the budget problem is becoming even more dramatic if it is considered that a policy of European recovery means Community resources, own resources and Community loans amounting to something like 3 % of our overall Community income. So we have to treble the Community's resources in order to ensure proper economic recovery.

Third, we have to recognize the full meaning and importance of the Mediterranean — which is to say of the need to speed up entry of Portugal and Spain. I do not at all agree with Mr Glinne, who separates the case of Portugal from that of Spain. Both countries have to become members of the Community as soon as possible. The economic development of the countries of the Mediterranean also has to be relaunched or ensured.

This is a task of vital economic and political importance for the whole Community, I should like to emphasize. Action here does not just concern the three or five countries of the Mediterranean. It is of fundamental importance to the whole Community, and therefore for the countries of the north as well.

In this way, I think, we could reactivate the whole Community and I should like to emphasize the contribution the Commission and Mr Thorn have made in this crucial phase for our peoples and our governments.

Mr Herman (PPE). — *(FR)* Mr President, Honourable Members, we all appreciated the strong, manly language Mr Thorn used when talking about the Council. We have noted the Commission's intention of helping cut the Gordian knot of budgetary and agricultural problems.

But the Commission also has to agree to recognize its responsibility for the development of the budget crisis. We have been fighting for five years and even more about the concept of the net contribution, the economic, legal and political bases of which were without any serious foundation. The Commission, whose responsibility is collective, has tacitly gone along with a calculation which one of its members made on purely national grounds. The agricultural levies and import duties are not national monies. They are there and they are only possible because there are common agricultural prices and a common agricultural policy. And since you know who I am getting at — it is not her money, it is not your money, it is the European people's money, it is our money.

As for the 1% of VAT, that is proportional to wealth and to the ability to contribute, therefore. Why did we have to wait five years to find out there were other, more realistic, more economical and more serious calculations? Why did we cast a modest veil over the figures and why did we give credit to the figures put out for public consumption? Bad examples are

catching. Now Germany thinks it pays too much. Does it not realize that benefiting from the discipline of the European monetary system, being the strongest currency in it and getting monetary compensatory amounts on top alone are worth more than its net contribution?

There are many more examples to show that, all in all, each country gets far more out of the Community than it puts in.

Do I also need to point out that, with a little bit of coordination, if we agree to harmonize our macro-economic policies — as econometric models and your expert economists can easily prove — we could have 1% extra growth in the common market and 1% extra growth is more than the whole Community budget.

There is an English saying that applies here and it is this: Penny wise and pound foolish. That is the example we are setting everybody of the way the European Council works.

I should also like to draw the Commission's attention to the inadequate use it makes of its powers of recommendation. Yesterday, we voted the draft treaty on union which contains one fundamental principle, that of conditionality. We should not be sceptical about conditionality. The International Monetary Fund, which is far more supranational an organization than the EEC, uses the principle of conditionality constantly and permanently and no one gets offended about it. It helps you and you are entitled to accede to the support machinery on condition that you adapt your policy. Why, with the whole machinery of Community financing from the NCI, through the EIB and the ECSC and Euratom funds in our hands, why, having these important financial instruments available and being able to operate them (I would point out that they amounted almost to ECU 9 000 000 000 in 1983) not use them as a means of exerting more pressure to get more convergence and ensure that macro-economic policies are more in line with the recommendations of the committees?

We would certainly, in this way, have gained enough to make up perhaps twice the deficits that are the main threat today. They say we are bankrupt and ruined. The budget is bankrupt, it is true, and in a month or two we shall no longer be able to guarantee agricultural prices. But it is also true that if we had persisted — without it costing anyone anything — we could, with a better coordinated macro-economic policy, have coped and coped easily with our needs today.

So, Mr President, I should like to invite the Commission to use all the weapons it has to put more pressure on the States so that they bring their policies more into line with the recommendations of the Commission.

(Applause from the centre and the left)

Sir James Scott-Hopkins (ED). — Mr President, it is with real sadness that I have listened to the speech of President Thorn this morning. He is a very amiable and intelligent man yet he made a speech of which, I am sure, on looking back on it in the years ahead, he will be ashamed. It was an attempt to evade responsibility for mistakes over the last four years — mistakes that he and his colleagues have made. He blamed the Council for all the ills that have beset the Community over these past years. The Council cannot take decisions — it is their fault, not mine. This has been the burden of his speech today. I regret it because it is a depressing outlook that he paints for us. Nothing is going to go right unless the Council do this or do that. Yet he and his Commission are meant to be the powerhouse of ideas for the Community's progress over the years. And yet the last four years have been a catalogue of missed opportunities. What Sir Fred Catherwood said a little earlier on is absolutely true: there has been a complete lack of coordination with this House, of participation in the problems that the Commission are facing until it has been too late.

There are many examples of missed opportunities as well. Just look at agriculture. Unhappily the Agricultural Commissioner has left us. We have put forward solutions to the agricultural problem — we in this House — with a thing called the Plumb report in 1981. And what happened to it? Oh, the Commission thought it might be quite good. They have occasionally done this and that, and you have heard various honourable Members referring to it over the years. And now at last they are coming forward with a crash plan which, of course, is upsetting almost everybody throughout the political spectrum. Either it was lack of foresight, or lack of intelligence, or lack of political will, or sheer funk — I do not know which — but the net result has been that we are in this mess that we are in today.

He goes even further than that. We have been discussing — and my honourable friend Mr de Ferranti has been one of the main protagonists — dealing with the non-tariff barriers. Oh yes, I know, the Commission has done its bit: it has all been put to the Council and the Council has refused to do anything about it. But what has he done about it? What has the Commission done about it? They know their 300 or 400 odd directives and drafts are sitting on the dusty shelves in the Council. What has he done about it? Nothing, except to moan and whinge gently and sadly that it is all the Council's fault. It will not do, Mr President, it will not do! If we were not at the end of our mandate as a Parliament we would probably in the past year have censured this Commission and told them to be gone and demanded new members with greater foresight, ability and, I am sorry to say, courage in their place.

I do not enjoy making a speech like this, but I think it is time to be honest and true to what one really believes and feels. There is an enormous amount to be

done in the Community. He himself talked about unemployment, the development of social policies, the development of regional policies. They are all standing still. There has been no radical initiative; there has been no inspiration from the Commission which is where it should have come from. There has been no development of new markets. What is happening to the development of negotiations with Lomé? This is where our manufacturers and industrialists want to have their new markets developed. What has he been doing? What has Mr Pisani, the Commissioner, been doing? Very, very little! There is hardly a mention in his speech about it. It is here that development must take place.

Development of the Community's overseas trade must take place. It is a sorry tale that we have to tell both in the development of third country markets and in the development of international trade by the Commissioner for overseas trade, Mr Haferkamp — what a disaster he has been over these past years! It is a great pity. I have devoted something like 25 years of my political life to building unification in Europe. I am still passionately determined that this should happen and that we should build a solid foundation for Europe. But I am sorry to say that with this Commission led by Mr Thorn we shall not do it. I regret it, but it is true.

Mr Adamou (COM). — (GR) Mr President, the Commission's declared programme presented to us today by its President, Mr Thorn, shows no breakaway from the framework of the Community's past lines of thought and action, and is thus likely to exacerbate still further the negative consequences of my country's accession to the Community in all the sectors of economic life.

Mr Thorn today grasped the opportunity to make a formal proposal that would result in still greater dependence of the Member States — especially the smaller ones — on the Directorate in Brussels; in other words, he proposed the abolition of the principle of unanimity. But first, let us take a look at the declared programme in relation to the various sectors.

As for the agricultural sector, the responsible Commissioner, Mr Dalsager, in reply to a question by the Agricultural Committee, admitted that the CAP is incapable of helping to solve the structural problems of Greece's agricultural economy. In other words, he admitted that the CAP is an instrument for making the rich richer and the poor poorer. Now, Mr Thorn proposes a reorganization of the CAP that will make the situation infinitely worse. Thus, Greek farmers, who in the three years since our accession have seen their incomes plummeting, will as a result of the new reorganization face threats to their very survival. Because the essential abolition of the principle of Community preference, the lack of any real substance in common solidarity, and the uniform system applied to agricultural pricing will inevitably blow Greek agricultural production sky high.

Adamou

As regards the structural funds, it is an open secret that the payments they make, instead of contributing to the reduction of inequalities between the Member States, lead to an increase in these inequalities because most of those payments go to the richer and more well-developed countries, leaving but a few crumbs for the small, poor ones. In any case, the very way that the Community's budget operates has the sole effect of facilitating the redistribution of its revenues in favour of the larger and richer partners.

As for the sectors of industry and, more generally, the processing activities, the Commission's declared programme and measures will lead to a contraction of industry in small countries. Moreover, since the governments of the smaller and weaker countries, in response to the opposition and struggle of their peoples, are obliged to resist and raise objections to these Community policies which run contrary to popular interests, the Commission now proposes to abolish the principle of unanimity, so that it can become more effective in implementing these policies.

The Communist Party of Greece — which has not ceased fighting for the breakaway of our country from the Community so that we can establish independent, national policies of economic development, peace and cooperation with all nations — will for as long as Greece continues to be a member of the Community, do all it can to defend the rights and interests of Greek working people. We will never agree to any proposal for unanimity, so that Greece may never become a colony of the Community's monopolies.

Mr Brok (PPE). — *(DE)* Mr President, ladies and gentlemen! President Thorn's speech today made the same impression on me that all his speeches made: I follow with interest and agree wholeheartedly. But when it comes to concrete action during the year, my disappointment grows by the month. No doubt this is not the Commission's fault, because when it comes to decisions and action the Council's deeds cannot match its words.

I will confine my comments to the work of the Commission, since this is our subject today, but cannot conceal the fact that I hold the Council of Ministers largely responsible for the present situation. But the Commission cannot escape criticism entirely. My attention was particularly caught by a sentence in the Commission's programme of work for 1984, which epitomizes their entire way of working. It says that the Commission has drawn up initial plans for each of these areas and that proposals have been submitted, which are to be developed further, and areas described which it is intended to explore. I think we can see from this that there are plenty of fine phrases, but a lack of precision as regards implementation; this is what, in the past, has so often led to failure.

Despite the many aims that the Commission has in common with Parliament, I feel that we are not regarded as real allies. In areas such as protection of the environment, economic and employment policies, removal of obstacles to intra-Community trade, the Commission has often adopted the same stance as Parliament, but in practice has then, unfortunately, conjured up compromises for the Council. The European Community is not progressing because the national governments, against the will of their own peoples, practise an anti-European policy.

(Applause)

No breakthrough will be achieved by finding compromises for these national governments. We, as the Parliamentary representatives of Europe, must make clear what is involved, i.e. we must expose the national governments when they pursue the wrong policies. But this can only be done if the Commission and European Parliament act together.

If something like 93 % of the population supports a joint environmental policy for the European Community while at the same time the national governments block this, and when it is clear that hardly anyone is aware that such a European environmental policy is feasible, then this means that the institutional alliance between the Commission and the European Parliament is not working and that we have not publicized our activities enough.

It is our job to exert pressure and I ask you: Who, in our countries, opposes environmental impact assessment, regulations on the disposal of dangerous substances or anti-pollution framework regulations? Who in our countries opposes the use of genuinely European instruments in the fight against unemployment? When we talk to the people, they always ask why the European internal market has still not been achieved. It is simple to make it clear to people that failure to integrate is much more expensive than the Europe envisaged by our governments. All governments — including my own — are fond of pointing out that this Europe is expensive and that economies have to be made. This may be largely true as far as the reform of the agricultural markets and similar matters are concerned, but ignores the fact that failure to unite Europe will cost us far more.

West Germany pays DM 6 000 m into the Community budget, but 50 % of its exports are to the other nine Community countries. This fact is not mentioned, whereas the DM 6 000 m are presented as an enormous item. Nobody mentions the fact that DM 13 000 m are allocated in the West German national budget for the loss-making Federal Railways. These figures demonstrate the lack of balance. During the next few months, the institutional alliance of Commission and European Parliament should make this fact clear to the man in the street.

Brok

Mr Thorn, you must help us during the next few months. Go to the capitals of the Member States, go to the press conferences and tell the truth about Europe, without fear of the national governments, who unfortunately still have the right to appoint the next Commission. It is not a question of keeping open certain jobs for certain people, we must try to exert pressure on the national governments with the backing of the people, who must be informed.

If Konrad Adenauer, Alcide de Gasperi and Robert Schuman had taken the advice of their national civil servants, then in the 1950s and 1960s we would have achieved nothing in Europe. Sometimes I feel that it is not the politicians who govern Europe, but the anti-Europeans in the national ministries, the ministerial bureaucrats, who were outwitted by the statesmen, but who now are the real rulers of Europe. Help us to make this clear in the next few months, so that our institutional alliance can make the breakthrough in this year that is so important for Europe.

(Applause)

Mr de Courcy Ling (ED). — Mr President, I should like to offer some words of comfort to Mr Thorn, because I think Mr Thorn feels that he has had rather a lot of criticism this morning, and I should like to remind him that a British Prime Minister, Mr Stanley Baldwin, said that in politics you are often exposed to the attribution of false motives. Never, never complain, and never explain. I do not think that the president of the Commission should be surprised by the resurgence of nationalism in a time of recession. It is completely natural, and in many ways it is surprising that the argument for protectionism has failed. That is a great success on the part of all the institutions of the Community, particularly the Commission.

I should also like to pay tribute to the Commission's efforts in one particular area of policy — namely, the steel policy: the way in which Mr Davignon, with his patient and tenacious diplomacy in the Council of Ministers, has succeeded, to a large extent, in salvaging the European steel industry. As we approach the European Council in Brussels on 19 March, which is clearly going to be crucial for the long-term future of the Community and for the government parties in the European elections as well, we all look to the President of France, to his statesmanship. We regard him across national and political barriers, and we are confident, from the way in which the French Presidency has begun, that with the resources of the Presidency and the will to achieve a compromise, the March European Council will break through these problems which have dogged us for so long.

But never let us underestimate their importance. Never let us say that the European Council should not concentrate on budgetary problems. The budget problem has proved intractable, and it is now up to the European Council in March to solve it.

IN THE CHAIR : MR VANDEWIELE*Vice-President*

Mr Kyrkos (COM). — *(GR)* Mr President, Mr Thorn's address challenges us to take a good look at the Community's difficulties and contribute to overcoming them. The President of the Commission has reminded us of its successive proposals, some six of which have been put before Council, and he is right. He told us quite emphatically that Europe should be governed, because right now there is no leadership, and he ended with a dramatic exhortation directed at us, to explain to our peoples at this time, during the pre-election period, that the sacrifices needed will be made in the name of a Community of high destiny. Mr President, can you imagine me going to the electors of Xanthe, whose incomes are smaller than those in Hamburg by a factor of seven, and asking them for yet more sacrifices in the name of high destiny, or should we go to the 12 500 000 unemployed and ask for new sacrifices?

There is one dimension missing from the splendid picture Mr Thorn has painted. Sacrifices, yes; but in which directions? Are we to go to the people of Europe and explain to them abstruse concepts like fiscal discipline? We will tell them that the cake is only just so big, but they will ask: 'Why didn't you make it bigger?'

Mr Thorn, what has the Commission done to prevent the flow of capital to the United States? What has it done to prevent Europeans from financing the senseless armaments programmes of the American leadership? What has it done to put this capital to work in large programmes of investment in Europe?

In the name of equality we ask farmers, indeed the poor farmers of Greece and other Mediterranean countries, to acquiesce to price reductions which will be considerable because of inflation. Meanwhile, Europe is swamped by American agricultural products and the United States threaten the Community's exports wherever they can. How can the farmers accept such a policy?

We call for understanding from the working people. What have we offered them? What was the fate, at the hands of Parliament, of the Vredeling report which opened the way towards control of the multinationals by working people? How can the workers agree with such a policy?

Kyrkos

We extol the technological renewal and modernization of European industry. However, at the very time when our markets are swamped by American and Japanese products, a short-sighted policy contributes to the strengthening of East-West relations and restricts the enormous potential that would be forthcoming for European companies, even for European capital, if Eastern markets were approached within a framework of stable relations of peace and cooperation.

I fear that instead of taking the bull by the horns, Mr. Thorn has caught it by the tail, and that we will be kicked. If Europe is to survive, new political perspectives are needed. Europe must break free from a mentality of subservience to the United States, and must recognize the problems between North and South in her own back-yard instead of getting ready to do away even with the Mediterranean programmes. We must recognize the new position that our peoples aspire to in determining their own fate, which must no longer depend on Wall Street or the Pentagon.

Mr President of the Commission, you are right. Decline is not inevitable. We agree entirely. We shall go to the electorate in Europe and appeal to them, not for new sacrifices, but to condemn this policy that has led the European Community to atrophy and deadlock, and that is destroying the great visions that all of us in this House, I believe, share despite our differences.

Mr Clinton (PPE). — Mr President, I too was saddened to listen to the Commission and Council absolving themselves from all blame for Europe's failures, and throwing the buck from one to the other, at a time when it is so essential to come closer together and to try and find solutions to the very serious problems of Europe. There is no point in advocating a unified approach if we cannot unify the most important institutions of the Community.

In its achievements during the past year, the Commission has been successful in many fields, and I am always prepared to acknowledge this fact. I am aware, however, of many other fields where the Commission has a direct responsibility and where no action has been proposed to rectify serious problems in the working of common policies. We have recently seen the Commission agreeing to pay ECU 700 million for what, on its own admission, are illegal activities. It is not only the irregular disbursement of funds that I am concerned with. By allowing the Milk Marketing Board of England and Wales to continue its activities, the Commission is condoning distortions in trade which affect my country more than most. The Commission may reply that it has instituted legal proceedings in this case. That is true, but this has only been done as the result of independent action by a farmers' cooperative.

If the Commission really wishes to stop the irregular practices, then it must cut off the funds. No other action could be described as reasonable in the circumstances. In connection with the Milk Marketing Board case, I must say that the recent spectacle of one Commissioner announcing the Commission's decision before any decision was taken, has done nothing to improve the Commission's credibility. The seriousness of this case cannot be overstated. The Commission was aware, as far back as 1978, that the Milk Marketing Board activities were irregular, to say the least. I must, as representative of an aggrieved Member State, ask the President of the Commission to reply to this serious charge. I must also request that Parliament's Committee on Budgetary Control bring to a swift conclusion its report on the subject.

My second major complaint against the Commission is that it has allowed the dumping of subsidized alcohol produced in France to continue. In this case also, the Commission has known of the situation for a number of years. The disruption to trade caused by the French subsidy does not seem of major concern to the Commission. I must inform Mr Thorn that the inactivity of the Commission in this and similar cases is seriously undermining confidence in the Commission. Can Mr Thorn say here today that the Commission will put a stop to the subsidization of French alcohol? In both the Milk Marketing Board case and the French alcohol case, the Commission is not using the power it has to regularize these situations.

In another area, it is attempting to use power that it does not have. The Commission has recently taken unto itself the authority to seriously reduce farm prices by delaying payments and changing specifications for eligibility for intervention. It is only the Council of Ministers that can fix, reduce or increase farm prices.

My final complaint against the Commission's activities, or inactivity, is of more recent origin. The sheepmeat regime is not working satisfactorily; at least insofar as the special arrangements for Britain are concerned. A serious loss of Community funds is also involved. The Commission is paying a premium for sheepmeat production in Britain. To prevent this premium from having the effect of subsidizing British exports, the Commission attempts to make a charge, which is called the 'clawback', on exports from Britain to other Member States. The only problem is that it is remarkably simple to avoid this clawback. The Commission has introduced regulations to prevent this abuse, but with no effect. Again, in this case, Community funds have been lost, prices for farm produce are reduced, and the markets are disrupted.

These are just a few of the cases where the Commission's inaction is causing serious losses to the Commu-

Clinton

nity budget, serious losses to farmers, and a serious disruption of trade. I must emphasize that I wish Mr Thorn to reply to these questions. But, most of all, I want immediate action to rectify these irregularities.

In conclusion, may I appeal to Mr Thorn not to be using his great abilities and his great experience to pander, or appear to be pandering, to those whose ambition it is to destroy the one achievement that this Community has — namely, the common agricultural policy. If all the savings he refers to were made in the agricultural sector, should we have sufficient monies for all the other desirable policies that we speak about, or if not, how much would we have? It would not be a fraction, and there was not one word, in what the President had to say, about the size — the overall size, the minuscule size — of the budget we have for running the affairs and solving the problems of the 10 Member States of the Community.

Mr de Ferranti (ED). — Mr President, President Thorn commenced his vigorous speech this morning with the expression of regret that the Esprit programme had not gone through. May I say, respectfully, to him that Esprit will not rescue the electronics industry. Only the completion of the internal market will do that. Consider this: collecting VAT away from the frontiers and the abolition of MCAs would enable all frontier paperwork to be eliminated and save 10 billion ECU. Consider this: the adoption of the third-country clause coupled with an unfair imports clause would give the Community an external commercial policy with real power and make the removal of most internal barriers possible. It would be a power that Member States do not now possess. It would pioneer majority voting with the right for postponement as we discussed yesterday and it would save consumers many more billions of ECU.

The Kangaroo Group in this Parliament have given the leadership needed on these issues. We have visited every capital and pressured every parliament and ministers throughout the Community. And, I would like to say to President Thorn, we have received every assistance from his Commissioner, Mr Narjes. A real effort now by you, Mr President, and your Commission to give waiverers confidence would turn the tide.

If I could have your attention for a moment, could I say one personal word to you? It is this. We all need some progress before the elections in June. This is our and your best chance.

Mr Denis (COM). — (FR) Mr Thorn, the negotiations for renewal of the Lomé Convention, to which you alluded this morning, began six months ago.

I have already had occasion to remind you, on behalf of the French members of the Communists and Allies

Group, of our very precise proposals on the subject, but, after your introduction, I should like to ask you about three essential matters. They are essential, because the debate about the Convention is of particular significance when the north-south dialogue is blocked in other places because, in our eyes, recovery in Europe more than ever requires an improvement in the situation of the ACP countries and the strengthening of cooperation.

First of all, does not the Commission consider that the time has come to propose that the Council fix an indicative amount for Lomé III financing? This would be a political gesture that is both in the Commission's scope and in line with the ambitions you just mentioned in your opening speech.

Secondly, can the Commission undertake, before this Parliament, to ensure that the dialogue on policies that it proposes and that worries our ACP partners will in no way be a pretext for pressure as to the policy each ACP State implements in the light of the sovereign choices of its citizens?

Third and last, as Lomé cannot lead to lasting achievements without an overall advance on the development front, at a time when the USA is blocking the north-south dialogue, cutting its contributions to IDA and even threatening to withdraw from Unctad, why does the Commission not suggest that the Council take an initiative, that could be in the form of a solemn declaration, to get the north-south dialogue going again on a worldwide basis and continue with the negotiations on commodities?

You see, Mr President, I am only asking your Commission to exercise its responsibility at the highest level and commit itself in front of the Euro-MPs. Only please realize that, on the eve of the Joint Committee meeting in Brazzaville, your answer will be listened to with just as much attention in Africa, the Caribbean and the Pacific.

Mr Beumer (PPE), chairman of the Committee on Youth, Culture, Education, Information and Sport. — (NL) Mr President, the President of the Commission concentrated in his statement on Stuttgart and Athens, what might have been decided there and what was not decided. When you then read that there should have been far-reaching action to breathe new life into the Community, it is difficult not to think there is something ironic here. And it is not happy irony either. It is a reference in particular to the obstructions that are a feature of the whole Community at present owing to the absence of decisions, especially on agriculture and, in the same context, the question of financing. And this immediately leads us on to the second aspect: the absence of decisions is due to our inconsistent application of the Treaties.

Beumer

Mr President, this Commission's mandate expires as the 'Year of Young People' begins. I am glad that we have had a fruitful discussion with the President of the Commission on the Year of Young People and that the Commission refers in its programme to the need for more opportunities to be created for exchanges among young workers and to extend the exchanges to others. But I should also like to point out that we constantly show that we are not solving the problems and that we are unable to take any majority decisions — which in fact means that we do not trust each other enough: can we then in all honesty have a Year of Young People and can we face young people as a Community? We are in fact practising a lesser form of democracy while setting such store by young people learning to respect democracy and also to accept that at a given moment it will not be their opinion but the opinion of someone else which will lead to decisions, because that is the essence of democracy, and these majority decisions do in fact contain an element of intolerance.

I should also like to point out that it is in the present circumstances in particular that young people have these difficulties. Unemployment is not falling and, what is perhaps at least as bad, the number of jobs is not increasing, and there is a need for that too. We also find that those who have jobs are increasingly forming a closed society, which it is becoming more and more difficult to penetrate. The unemployed, and the young unemployed in particular, include a hard core: 20% of young people have very little prospect of ever finding a good job again. Their chances decrease the longer they remain unemployed. I am also struck by the increase in the time it takes to find a job in the various countries of the Community. This is a further test for democracy and the legal form we are so intent on maintaining and defending. I therefore believe we can really speak of a Year of Young People only if we have — of course — better exchanges among workers and others and above all if we can take steps during and before this year to achieve a more democratic form of decision-making and also involve young people more closely in the process — because that too forms the basis of democracy — so that they may feel at home in society and work in it. This means — and I want to make a special plea on behalf of the hard core, the 20% of young people who cannot find jobs — that we must be creative and inventive in seeking opportunities for practical training, opportunities for part-time work and special forms of adjusted working hours, because that will strengthen their belief in democracy. But this will also necessitate better decision-making throughout the Community. If this can be done, Mr President, I shall join in cooperating with the Commission in the activities forming part of the Year of Young People with even greater pleasure and hope.

Mr Moorhouse (ED). — Mr President, I think one has to say that achievements in the transport field in

1983 were relatively modest. It is on that account that Parliament felt obliged to take legal action against the Council of Transport Ministers for failure to implement the common transport policy at a sufficiently fast pace. That legal action, I believe, is a measure of the frustration of the Members of this House and, indeed, of the people of Europe as a whole.

It is very much to be hoped that the European Court of Justice will make known their views this side of the election. I do hope there is no truth in the rumour that they may be intending to delay the decision until after the election on what might appear to be political grounds. I think their job is to take a strictly legal view of it and reach their conclusion as soon as may be.

Our disquiet was reflected, I think, in the failure by the Council of Transport Ministers in two meetings in December to reach agreement on any significant matters other than technical matters. We certainly feel that the Council of Ministers should quicken its pace, not only for the sake of developing a common transport policy, but for the sake of developing the internal market which is so crucial to the future well-being and prosperity of this great Community of ours.

Having said that, let me however take the opportunity to pay some tribute to the Commission. I think they are pursuing their work with a greater verve and a greater vigour and we applaud that. We certainly welcomed in the past year the adoption by the Council of Ministers of the Commission proposal passed by this Parliament on interregional air services. That, I think, was an important political act from which we shall see considerable benefits in the future.

As regards the Commission's priorities for 1984, time only allows me to pick out financial support for transport infrastructures. It is very much to be hoped that agreement can be reached on this matter so that a financial regulation is introduced at the earliest possible time to support transport projects of a truly Community character.

Mr Macario (PPE). — *(IT)* Mr President, ladies and gentlemen, in judging the credibility of the Commission's programme it is impossible to refrain from an observation on the real political role of the Commission in the Community: that of the proverbial cracked claypot in the midst of pots of iron.

A claypot resigned to its fragile status within our institutional system, the Commission seems the symbol of what the Community would like to be but cannot become; a symbol of what the Community cannot achieve. Its path is paved with good intentions, but we all know where such roads lead.

I must confess that my idea of the Commission is very different from the concept it has embodied in these last years, and that idea at the very least is not one of an institution ready for every compromise, every forfeit, an institution fundamentally resigned.

Macario

And we have to ask ourselves whether, as I suspect, it was not the Commission that was responsible to a large extent for the Community's crisis, for that progressive decline of which Athens was the nadir — a retrogressive process whose origins are not to be sought in the present, but go a long way back.

We have to ask ourselves whether, by clear demarcation of its responsibilities from those of the Council, by posing plain alternatives to the Council on the crucial and most controversial Community issues, those regarding its forward development, the Commission might not have halted the crisis at a stage in which the sickness could be more easily cured. There were moments when it would have been preferable to say candidly and plainly to the Council: 'Either you accept what we propose, or we go'.

The political institution of relinquishing office is an essential counter in the political game: there occur moments when that counter must be staked.

There must, after all, be *someone* to speak up and appeal to the European consciousness of Europeans; *someone* to prevent state or national or group interests, to prevent bureaucratic routine, from smothering the important overall interests of Europe, that Europe which, in its present condition, is proving, once again, incapable of facing up to its challenge.

Though subject to undeniable constraints, the Commission should never forget that it represents the highest expression of the consciousness of Europe's overall interests. While the Council is, in a sense, an intergovernmental body, the Commission is not and must not be one. Regrets and hand-wringing are not enough: there must also be firmness, boldness and awareness of its role as interlocutor, of the same status as the States, in arguing with the States, and sometimes against the States.

Europe will not be born, except in the midst of scandal and tears. Indeed, *oportet ut scandala eveniant*. Unless you make up your minds to take a different path, sooner or later you will incur Parliament's censure: I fear it may be sooner than later.

Mr Fergusson (ED). — Mr President, on an entirely different tack: the President of the Commission's warning against the break-up of the Community and the loss of 25 years hard work is in stark contrast to events in the other Europe, the Europe controlled from Moscow. There in the past 25 years, though with spasmodic eruptions of the confined human soul, far from breaking up they have, if anything, consolidated a godless tyranny where political freedoms, as we know, are a travesty.

I regret again that the annual debate demanded by Parliament, the empty chair debate, is now included in the — by its nature — ragbag of the annual review

of the year. Not that the replacing of one old dictator in the Kremlin with another does not impinge very much on the problems of both free and enslaved Europe. It certainly does. The resolution tabled by the leaders of four groups to wind up this debate says all that needs to be said about the Kremlin succession. Mr Chernenko has spoken of renewed *détente*. Does he by any chance mean the same sort of *détente* as Mr Brezhnev meant and embarked on? The biggest expansion of military might geographically and in firepower ever seen in what is hopefully called peacetime. When Mr Chernenko condemns and I quote him: 'the reckless adventurist actions of imperialism', has he forgotten that the largest single transfer of alien troops across an international frontier since the Helsinki Agreement was the invasion by Russia of Afghanistan? And those troops are still there. Although if we are talking about the rape of freedom, I do not believe the active, cruel suppression of the Afghans should occupy more of our thoughts than the passive, continuing suppression of the Baltic people, the other part of Europe.

I hope we shall hear no more of imperialism and of any professed love of peace from Mr Chernenko until his troops, if indeed he has any control over his military, have gone home. We shall support this resolution wholeheartedly believing, if we can, in the thaw that we hope is coming out of Moscow now.

Mrs Walz (PPE), Chairman of the Committee on Energy, Research and Technology. — (DE) Mr President, first of all I would like to thank the President of the Commission for his excellent speech — excellent at any rate as far as energy, research and technology are concerned. The members of the committee wish their request for urgent debate to be understood as a protest against the Council's failure to agree to the Esprit programme and the demonstration projects. At the request of the group chairmen this request for urgent debate was dealt with today, but will be voted on tomorrow.

We cannot accept that Esprit, which has a decisive role to play in the Community's economic programme, should be coupled with discussions on a reform of the common agricultural policy, or the net payments made by individual Member States to the Community budget. Further delay will cause the Community to fall even further behind the United States and Japan in the field of information technology and endanger the whole programme. Companies will be obliged to disband their teams of scientists and engineers if the Commission is not able to conclude contracts as soon as possible.

Our request also stresses the fact that it is unacceptable for Esprit to be financed at the cost of other Community research projects, given the relatively

Walz

small amounts of money which the Community spends on research. The huge sums invested by the USA in research, which have recently reached record heights, demonstrate the dangers that lie in further delay by the Community.

(Applause from the centre)

Mr Spencer (ED). — I wish to join my colleague, Mr Fergusson, in regretting that this is the only opportunity that we will have to pursue the issues connected with the so-called 'empty seat'. Since it was Parliament that made that suggestion, I do not think it is good enough to merely put it into a general debate of the kind we are having this morning.

Nevertheless, the timing has a certain appropriateness. We have now witnessed the unedifying sight of the leaders of Christian Europe in Moscow for the interment of an atheist whom most of them had never met — an atheist who had devoted his life to expounding an ideology designed, in Khrushchev's words, to 'bury' the self-same leaders of Europe who have been in Moscow in the last few days. It seems to me to say much for the state of East-West relations that our leaders can only converse at funerals. Funerals, it would seem, require no invitations, and so perhaps this Parliament, which created the gesture of the 'empty seat', could go one stage farther. Perhaps we should create a symbolic empty coffin and invite the leaders of the world to come and whisper around it whenever they felt the need to talk to each other. And while they whisper around it, Mr President, perhaps we could fill the public galleries with the representatives of the exiled communities of eastern Europe. We could have Lithuanians and representatives of the other Baltic States to ask why their plight has not been referred to the decolonization subcommittee of the United Nations, as requested by this Parliament. We could have Ukrainians to ask why their legitimate aspirations to nationhood are merely mocked by the Ukrainian Ambassador to that self-same United Nations. We could have Serbs to enquire of the Yugoslav authorities why Serbs are discriminated against and repressed in the cradle of their nation, in the Kosovo Autonomous Region.

In this strange thaw that seems to follow Russian funerals, let us encourage an invigoration of contact between the world's leaders. Let us respond to Mr Chernenko's call 'for a realistic and honest dialogue with the West', but let us do so in the full awareness of the ghosts of European nations who cannot be with us today and who do not yet enjoy the bourgeois freedoms that we so easily take for granted.

(Applause from the centre and from the right)

Mr Habsburg (PPE). — (DE) Mr President, two years ago, following a report by my colleague Mr Fergusson, this Parliament decided to hold an annual

debate on the political and economic situation in the whole of Europe, i.e. not just the Community. The basis for this debate in 1983/84 was to be the question tabled with a request for debate on behalf of the committee by the Chairman of the Political Affairs Committee, Mr Rumor. The way in which the Bureau has dealt with this request reminds me strongly of the way in which the Council reacts to sensible proposals on agricultural policy or budget reform.

This makes me uncertain whether we can criticize the Council with impunity, when the upper echelons of the Parliamentary hierarchy behave in the same way. The European Community is not Europe, it is merely a starting point. We are the proponents of the right to self-determination of all Europeans and the abolition of the last colonial power at a time of worldwide decolonization. A debate on the whole of Europe would make more sense than a constant rehashing of purely economic questions without reaching any conclusions.

The French are correct when they say: *Plaie d'argent n'est jamais mortelle*. Translated into today's terms we could say that enthusiasm for Europe is being suffocated by Community statistics. A balance sheet, or an incomprehensible budget will never sweep anyone off their feet. We must get back to basics and discuss the real political questions. What use is the most sophisticated economic or social policy if vandals come and smash everything. This was the reason for our motion for a resolution, signed by the four group chairmen and two deputy chairmen of the Political Affairs Committee, who wished to give expression to a simple historical truth: permanent peace can only be guaranteed when human rights are respected and a state is only legitimate when its people have the right of self-determination. These are the conditions that must be created if there is to be true order in the world.

This must be said with the authority of the representatives of the people of Europe, at a time when there has been a change of leadership in the Soviet Union, a state whose policy of hegemony threatens peace today. The new old dictator in the Kremlin must be told that we want peace, but not only in words, as was the practice to date of the previous leadership of the Soviet Union and its lackeys. The historically proven principle of *justitia fundamentum pacis* must apply. Peace is not created by talking about it morning, noon and night, but by a realistic peace policy based on human experience. And anyone who forgets that there are still over a hundred million Europeans who do not have even the most elementary rights cannot call himself a European.

Mr Seligman (ED). — President Thorn says that the Council of Ministers is hemming and hawing about the Esprit programme. Mr President, the Heads of State want Esprit, the Parliament wants Esprit and

Seligman

European industry urgently needs Esprit. Already 5 000 firms and institutes have joined Esprit, or applied to join it, while in the pilot stage 1 500 firms had already joined the programme. This is a popular, important programme. Every month the Council delays, the Japanese draw further ahead of us in fifth generation computers, speech-operated computers, rapid user-friendly, thinking computers.

This five-year programme should have started on 1 January this year. Is Esprit held up because the money is not available? No, the money is already in the 1984 budget. Apparently the main obstacle is the dead hand of additionality. Some national governments and treasuries, including my own, are still saying, 'Any money you receive from the Community has to be subtracted from the money you have for your national programmes'. Why is this not done on agriculture then? There will be no progress on a united, cooperative action in the EEC in any of these domains other than agriculture until the additionality policy is reversed.

I appeal to my government, and other governments, in all friendliness to agree to the Esprit programme at the meeting of Research Ministers on 28 February, because that is the crucial moment. The combined European high-technology market, which is an enormous one, and the world market, which is worth 250 billion dollars, are waiting for the fruits of the Esprit programme. Do not hold it up.

Mrs Schleicher (PPE). — *(DE)* Mr President, ladies and gentlemen, I would like to begin by saying that the Commission and Parliament have moved closer together, as has been demonstrated in the fields of environmental protection, consumer protection and health policy. Sir Fred Catherwood was earlier very critical of the Commission. I cannot understand this as far as the point he complained of is concerned, but perhaps this has to do with the varying qualities of different commissioners. Neither Parliament nor President Thorn has any influence on this, and it represents an area where improvements could be made, should Parliament gain more influence and have a say in the appointment of commissioners.

Secondly, I would like to commend the Commission for its excellent preparatory work — I am thinking here of the problems of air pollution or of the transport of hazardous substances, where the Commission has mobilized international technical expertise. Parliament is naturally looking forward to the new proposals on environmental problems which the Commission intends to present in April.

The sad case of the search for the Seveso waste provides us with an excellent practical example of the situation in Europe, which is characterized by the

governments' lack of readiness to help solve the problems. A further tragic example is the Council's lethargy in response to urgent environmental problems. The Council of Ministers for the Environment is to meet again on 1 March. The Group of the European People's Party submitted a request for urgent debate this week, which unfortunately was not accepted by Parliament as a whole. But the matter is none the less urgent. We very much hope that the groundwork that the Commission and Parliament have carried out will now be brought to a successful conclusion by the Council.

And finally, I would like to take up the point that President Thorn emphasized, namely cooperation with the Council. The present difficult situation has its roots in a period of plenty, not a time of need. The responsibility for the European Community lies in the hands of the 10 governments. If they cannot change their ways and at long last stand up for a united Europe, then Europe is doomed to failure. Have we really reached a point at which we have no leaders? Is government to mean simply presiding over failure? Are we to let the lights go out all over Europe while we mourn our glorious past? Commissioner Thorn spoke of the Gordian knot that binds Parliament and Commission. Has it been severed? Commission and Parliament together must now cut through the bonds around the Council.

(Applause)

Mr Chanterie (PPE). — *(NL)* Mr President, I shall depart from my normal practice of discussing the major principles which the Commission proposes to us every year. But I should like to compare them with the facts, especially in my own country and the Flanders region.

I am prompted to do this by an article that has appeared today in one of our major newspapers, which states that the Commission has rejected the Belgian textile plan for 1984. Mr President, I must take this matter up with the President of the Commission straight away. Firstly, I would point out that in 1980 the Commission and the Belgian Government reached agreement on a five-year plan of support for the Belgian textile industry. We have now reached the fourth year, and the Commission now feels that this plan can no longer be implemented. That is unacceptable: like anyone else, the Commission must honour its agreements.

Secondly, I would point out that a number of Member States have granted their textile industries covert aids in recent years. This has never been the case in my country. We have done everything in agreement with the Commission, and I do not think that a Member State should be penalized for acting openly in this way.

Chanterie

Thirdly, I should like to say that the discrimination against certain workers in my country has gone on long enough. Workers in the steel industry have been able to count on aid for years, and the Commission intends to grant aid to some companies until 1985, although it can be said even now that there is absolutely no guarantee that they will be viable after 1985. This discrimination must stop. The Commission feels that the Belgian textile plan does not include enough guarantees that aid will be granted only to viable companies. But under the Belgian textile plan aid may only be granted to viable firms, firms which themselves want to make enough effort and to put enough financial resources on the table. The employers themselves must therefore take the initiative to show that they believe in their viability.

Mr President, this is a very important matter for my area, Flanders. The textile sector accounts for about half of all industrial employment in this area. The Commission must revise its position and honour its agreements. That is why I have today spoken only of the problems at present facing my area.

President. — Ladies and gentlemen, you will not have failed to notice that Mr Thorn has listened with great attention the whole morning to all your observations. For this he deserves our thanks. We well understand that he cannot answer all our interventions in five minutes. I therefore propose — and here I am thinking of the staff and the interpreters — that we resume the sitting at 3.15 p. m. instead of 3 p. m. The Commission President will thus be given ample time to answer all your points.

Mr Thorn, President of the Commission. — (FR) Mr President, do not be afraid, I shall not be using all my time. I shall try and be as brief as possible. In telegraphic style, that being what we need at the moment, I should nevertheless like to thank all those who took the trouble to speak. And I should like to tell them that I really do believe that this is a very serious time and that perhaps those who are not the Community's greatest defenders realize the fact better than those who are or claim to be Europeans. They, perhaps, do not really realize what is at stake.

One or two remarks of a general nature on the main criticisms. We heard about the role of the Commission — and that was a question by two honourable members who did not have time to listen to the answer. Why, they asked, does it no longer keep its distance from the Council? I was amazed by the lack of understanding and knowledge, in this House included, about what is really happening at the moment. Take the example of Athens. Did the House not realize that, in Stuttgart, we decided — and you all applauded this — that there would be negotiations between the Member States? I should like to remind you that the first text talked about negotiations

between the Member States, without mentioning the Commission. I had to intervene so it said that the negotiations would be between the governments of the Member States and the Commission. And some high-ranking person said that the Commission hadn't been at Messina either. I had to remind them that there was no Commission before the Treaty of Rome. And so they rectified it. That is how things stand.

So, what is the great difference? It is that, contrary to the Treaty, there is no longer the Commission's proposal alone, that exclusive right that is one of the many things to have been taken from it in recent years. There is something logical here — and I should like to speak here to Mr Nordmann, who is highly Cartesian — and it is that, if one wishes to defend the Cartesian spirit of the Treaty, then one has to defend the Treaty and not infringe it when it suits one and expect it to be adhered to otherwise. The Athens discussions were falsified because there were Danish proposals and French proposals and German proposals. Everyone made proposals and everyone read his own text during the discussions and took no more notice of the proposal which, by virtue of the Treaty, was supposed to be a Community one. This is why, by imposing unity and refusing to allow the Commission the exclusive right of proposal on two occasions, the Treaty was infringed and failure was unavoidable. That is one thing I want to emphasize again today.

So what can be done? Do you not intervene? Do you let the Danes and the English, everyone in fact, state their case? That's nothing to do with me. And do you not, in these difficult times, still try and maintain cohesion? I get complaints. You have to have a compromise. There's no point in snivelling about it or droning on about the Council. You have to try and preserve your cohesion. And indeed, how many times have we not changed our proposals for the sake of a compromise in steel and fisheries? And sometimes we have succeeded. Should we, as Mr Macario says, lay down the great principles and state that we have made our proposals and now let us go. You only go once. I know that it would make some people happy, but that is no reason for my going.

Will this Parliament go away every time the Council says it is wrong? That is perhaps not the sort of policy we should be using at the moment. We have to put up a fight. You will do so, but so shall we. So I cannot be asked to be firm when it suits you and conciliatory when firmness does not suit you. My impression is that there is a political group that thinks that working with Parliament is agreeing with that group's proposals — which are, in fact, fairly nationally oriented.

Whenever the Commission fails to do what that group wants, it is not for Parliament. Nevertheless, you have heard slightly contradictory opinions today, slightly contradictory. So tell me, can't you reach unanimity here? How do you expect us to fight when there is

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not one proposal, but 10, and we are asked for unanimity and no compromises? How would you go about it? You have to look at things clearly. You are politicians. So let us see things as they really are.

Then there is the Treaty. I recommend reading it. I shall ask one or two people to look at the Treaty again and see just how far we have strayed from it over the past 10 years at least. It was different when we asked the High Authority and then the Commission to make proposals. And whenever the Commission requests it, there is a vote. And on most points, a majority is enough. Even a tie is enough if the Commission maintains its proposals. Unanimity was necessary to change a Commission proposal. That altered everything. And I have known cases where the majority of States were against the Commission proposal and were forced to give in in the end. Nowadays, when any of the 10 governments feels like it, the Commission is told to make other proposals. And it is supposed to have goodness knows what genius. You have to have genius, Sir Fred tells us. And you really do have to be a genius to do what 10 governments with divergent opinions want. You need to be a genius to do that, I admit. And I am not. If he is, will he please say so. But I would put him on his guard about one thing — you want to change the Commission, well you will soon have the opportunity to do so. Everybody will.

But, ladies and gentlemen, have you not noticed the resurgence of nationalism? The next Commission could well be a little more national and less European than the present one. Then you can tell me where we are, because that is where we are now, as you have all said — facing a resurgence of nationalism. We complain about the fact that, economically and industrially speaking, there are not enough investments, that there is a failure to invest. Well, the worst failure to invest at the moment is the failure to invest in Europe. No one invests in Europe any more. And when people teach me things and say the Commission ought to have made us enthusiastic, when a British colleague told me he did not know what he was supposed to tell his government, he should have listened. What he was supposed to tell his government had been repeated for four years and it was relatively simple, because as far as initiatives go, we have not, perhaps, had enough. But we have had many of them, including in the affair of the British budget compensation. I know governments that have only had one idea in their heads for several years. And that, perhaps, is a little on the slender side, really.

So let us all shoulder our responsibilities. Considering certain alliances is not the least curious aspect of today's debate. I thank Mr Fantì. He does not agree with me, I know, but at least he was courteous.

I shall still have contributed to something. I shall have got him applauded by Sir Fred. That does not happen every day and it should be a bigger worry to the person applauding than to me.

Now for one or two words on certain other essential criticisms. Mr Glinne spoke about the risk of bankruptcy. That is excessive. There is a risk of agricultural expenditure being more than the appropriations in the budget. That risk will be a certainty if the Council fails to follow our proposals. To Mrs Le Roux and to so many others I should like to say that we had no other choice. We are in a situation where, unlike the national governments, we cannot have a budget deficit. We cannot go further than the 1 % ceiling. We are invited to keep the budget balanced, we are given no money and we are told to make proposals. Can we therefore be blamed for making proposals that are within the limits of the budget and represent what it is our duty to do?

Mr Bangemann warns us that Parliament will refuse any overturning of the budget. I understand this. It does not surprise me. But let us see what the responsibilities of the Commission and Parliament will be if the Council fails.

I repeat, the Commission cannot flout the rule of the Treaty that forces it to keep the budget balanced. It does not have the power to make a unilateral reduction in agricultural spending — because it is compulsory — as long as the Council does not alter the regulations. So if agricultural expenditure is greater than the appropriations, the 1 % ceiling, in the absence of any extra resources that the Member States would have to vote on unanimously, the Commission will be unable to avoid having to present an amending budget. You can imagine what the reaction of the two branches of the budget authority would be. So it would be better to think, because that is the crucial problem we are going to have to deal with soon.

As to the budget imbalance, I am in complete agreement with the analysis, particularly by Mr Herman. We are told about certain delays, but let us not forget that the Council started on the path towards a budget deficit in 1980, before this Commission, at the initiative of Giscard d'Estaing, the President of the French Republic, and of the Federal German Chancellor, Helmut Schmidt.

The Commission of the time — all hail to my predecessors — had already been constantly refusing to be associated with this, as the proposals on future financing prove. But after that there were other proposals — and, ladies and gentlemen, some of you have said that the governments are there to defend the national interests, but let me tell you by the way, that national interests should not be counter to European ones. I think that those who defend their national interests properly think about Europe, for Europe can bring the nations a lot. I am not sure that the opposite is true.

So, the proposals that were made afterwards were adopted unanimously by all the governments. I should like to tell certain speakers, from the Netherlands and Denmark and elsewhere, as much. All the proposals

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on financing were taken unanimously and, reread the Treaty, when the Council decides something unanimously, we have to abide by it. So it is impossible to go on saying that the Treaty is being infringed and we are not keeping to the rule about majority voting. Decisions are taken unanimously. When we decide unanimously, people complain that the Commission does what has been decided. That's a little too easy.

To Mr Herman I should like to say that, when he speaks about conditionality — a very important subject — that it does exist and it is strong in the case of the NCI and the EIB, but that it comes in at the level of individual projects, that the conditionality of the European monetary system has asserted itself and made for greater convergence of economic policies. It is at the level of the structural funds, Mr Herman, that conditionality is lacking because of the constraints imposed by the governments and written into the regulations and that is precisely why our Commission proposed, in July 1983, to give us the power to exercise this conditionality so as to increase the Community effectiveness of the structural funds.

On the subject of the agricultural budget, Mr Glinne noted disagreement as to the figures. On one occasion you said 1 600 and on another 900, he said. I should like to explain the difference to him. The first figure was based on the assumption that butter stocks would go on accumulating — something which, during the first year when you let the stocks pile up, is cheaper than selling them — rather than marketing the surplus.

If you let stocks accumulate, you can make 900 million. If you want to sell them, you can go as far as 1 600 million. That is the only difference. I should like to say this in telegraphese, but I shall perhaps have the opportunity of explaining it to him properly.

If no decision is taken on changes, in particular to the common organizations of market and the MCAs, we are sure, if the proposals of document COM(500) are not adhered to — as I said this morning — that we shall go far beyond the agricultural budget.

Someone — and I believe it was Mr Glinne again — told me that a lot of interesting measures were planned but that nothing had been said about their financing. I personally had the impression that in my speech I had only spoken about financing, something some people had complained about. Anyway, be that as it may!

As to the lateness of certain proposals — we did not have to wait too long, but you know, as we know, that an increase in own resources could never get unanimity as long as the expenditure linked to the common agricultural policy was not under control. When were the options stated? In 1978 by the Commission that preceded us. Then there was the mandate of 30 May. We have our practical proposals and we took up the agricultural proposals in 1981 and

1982. We were not, moreover, followed on the prices by Parliament, which is proud of the fact today. That is a subject for discussion between us. We had got over it in the following year's proposals and at Athens, I heard two heads of delegations say that it was still too early to solve the financial crisis, that we had to go on to the bitter end and that, you see, is the danger of the way Europe operates. By voting unanimously and forever claiming a vital interest to use the veto, we are condemning ourselves to go from crisis to crisis, as no one will stop until we are on the brink of disaster, when they feel there are major reasons for a concession. That is the danger we are living with.

One last example. When people complain about the proposals the Commission has to make — and it was Mr Barbi, I think, who said this — objecting to us defending the Commission's original proposal of going beyond the 1% ceiling without limiting it to 1.4, 1.6 and 1.8, it is true. Let us think about it together for a moment. We should defend this to the limit and say that we will never give in, because we maintain the proposals on the table, although we know there are not three governments to agree with us. What are the risks? That they will agree on 1.4%. Would it not be better for me to join the game and try and obtain another figure in-between? That is the whole problem. Politics can be difficult. But you have to choose. Or stick to the principles and not be there for the decision, perhaps. What I fear is that the 1.4% — and this is my final argument — will be soon exhausted. The agricultural policy alone, as we can now see, has already exceeded the 1% ceiling and even if you manage to control agricultural spending tomorrow, it will take some time to come down. It cannot happen overnight. There are butter stocks and heaps of other things, so, exponentially speaking, the curve will go on rising before it falls and I suggest that in any situation we will reach almost 1.2%.

We have put the cost of enlargement at between 0.2 and 0.25%. By adding the two elements together, we already get more than 1.4% — which brings us to a situation that I think is absurd. What dooms an effort of this kind is that, without any new policy, you in Parliament and my successors will be forced to ask for a further over-run, by ratification of the national parliaments, even before enlargement has had its effect, i.e. in three years' time, and I believe that this permanent crisis, as we know it today, with the inherent risk of a request for ratification in 12 states at that stage, should be avoided.

So the great campaign we have to fight is for control of our expenditure. I am told that Europe should now be mobilized. I am very willing to do this — but mobilizing it to save it is no mean achievement. I am told that what we are doing is on too small a scale. No, we are asking people who are tired of paying and want their money back — not just one person, there are

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many of them. These are the people we are asking to invest in Europe, in the interest of their own countries too. We want to save the Member States by saving the Community. We want to give it the means of new policies. We are trying to save the steel industry — against the will of certain national governments. We are getting to grips with the new technologies, we want to strengthen the internal market, we want to save agriculture and control our spending. We have created a fisheries policy, we are negotiating Lomé III, but some people, those who came at the eleventh hour (I am always wary about the zealous) tell us it is not enough. It is already a very good thing that they are helping us succeed. Some lessons are learned a little late in the day.

(Applause)

President. — The debate is closed.

The vote on the three motions for resolutions will take place at 6 p.m. tomorrow.¹

(The sitting was suspended at 1.10 p.m. and resumed at 3.15 p.m.)

IN THE CHAIR : MR KLEPSCH

Vice-President

Mr Israël (DEP). — *(FR)* Once again an unofficial document has found its way into the Members' pigeon-holes. The situation is a particularly serious one in that the document concerned contains a personal attack on Mrs Simone Veil. Which is why I am asking you, Mr President, to take all possible steps to prevent leaflets abusing our former President — or indeed any of our Members — being put in with our official mail.

(Applause)

President. — Mr Israël, the staff are not to blame. However, I shall have the matter looked into.

Mr Geurtsen (L). — *(NL)* Mr President, I accept your statement that the staff are not responsible for what is distributed. I admire the speed with which you have said this, considering that you have only just been told yourself. If none of the staff is responsible for what is distributed, I feel the police should be called in to find out how these disgraceful pamphlets find their way into our pigeon-holes. The identity of the person who has been attacked is not so important. What is important is that people can obviously come in here to press their pamphlets on us, and anonymously at that. I do not think it is enough for you to say: 'The staff are not responsible'. I expect the Bureau to carry out a thorough and extensive investigation to establish the source of these disgraceful pamphlets.

President. — You evidently missed my second sentence. I said I would have the matter looked into. I cannot say more than that just now.

Mr Enright (S). — First, Mr President, I am complaining because I did not get one in my pigeon-hole.

(Laughter)

Secondly, is it not even more scandalous that scurrilous attacks are thrown around the Press Room by individuals from this Parliament who are open to abuse in very many ways? It is quite scandalous. It should be investigated.

President. — I think that the matter is settled for the moment.²

Mr Balfe (S). — Mr President, I wish to raise two points of order, although I do not want to ask you for an immediate ruling. I want to ask that the Bureau consider this matter and give a ruling at the beginning of the next part-session.

The first one concerns Question Time. Yesterday, Question No 26, tabled by Mr Rumor, was listed in the order paper as a former oral question with debate which comes under Rule 42, converted into a question for Question Time, which is governed by Rule 44. Mr Rumor was not present in the Chamber and the Presidency in the person of Lady Elles ruled that the question had fallen. This morning, at the beginning of today's debate on the order paper was the same question, tabled by Mr Rumor on behalf of the Political Affairs Committee and included in today's debate. I would like the Bureau to give consideration to what is obviously a contradiction, because a question which is said to have fallen, cannot suddenly reappear on the order paper in the same form.

The second point of order I want to raise concerns Interparliamentary Delegations which come under Rule No 106. There is an Interparliamentary Delegation responsible for relations with the Gulf States. Under Rule 93 substitutes are appointed to that Delegation. I was one of those substitutes. I was a substitute for a certain Mr Motchane, who I believe exists, though we have had no proof of that for a considerable period of time. In being his substitute, I was following up my long standing interest in the Gulf States, going back to time many years ago and naturally expected to take a full part in this delegation. However, when the alleged Mr Motchane was not able to take part in the delegation, I was informed that his place had been offered to the French. I would like, therefore, a ruling from the Bureau as to whether or not substitutes on delegations must be of the same nationality as the members of the delegation, because otherwise, quite clearly, we are in breach of the Rules, or at least we are committing a stupidity.

¹ See Minutes.

² Topical and urgent debate (objections): See Minutes.

Balfe

I do not want either of these rulings now as I think they probably need to be considered by all of the presidents, in order that we can have some consistency.

President. — Mr Balfe, your first question can, I think, be answered straight away. Mr Rumor had addressed his question to both institutions, the Council and the Commission. The question to the Council was included in Question Time, and my colleague Lady Elles was quite right in making her ruling according to our Rules of Procedure. The question to the Commission, however, remained in its original place — it was not settled by the question to Council.

As for your second point, I would point out that the appointment of delegation members is a matter for the groups. Consequently, you should first apply to your own group. I shall, however, check on possible irregularities.

3. Question Time

President. — The next item is the second part of Question Time (Doc. 1-1388/83).

We begin with questions to the Commission.

Since they deal with the same subject, I call Question No 39, by Mr Cousté (H-469/83):

In view of the new textiles negotiations due to commence in the second half of November, can the Commission give an assessment of the present trade agreement and indicate what it intends to do with regard to Chinese requests which exceed the overall ceilings set by the Community for sensitive products?

and Question No 62, by Mr Megahy (H-626/83):

Would the Commission indicate its current position in the talks between China and the EEC on the renewal of their bilateral textile agreement?

Mr Narjes, Member of the Commission. — (DE) Both Mr Cousté's and Mr Megahy's questions chiefly relate to the Community's current textile agreement with China and with the progress of negotiations on renewal. The present bilateral textile agreement with China came into force in 1979. Its provisions are stricter than those of the Multifibre Arrangement and enabled the Community to defend itself against a further expansion of Chinese exports. Altogether 22 new regional ceilings have been introduced since the agreement came into force. In addition, the bilateral agreement gave Community textile exports to China preferential treatment. The *ad valorem* ratio of Community exports to China and Community imports from China improved from 1 to 5.3 in 1978 to 1 to 4 in 1981. On 21 November 1983, formal negotiations began on a renewal of the agreement. The Community and China hold widely divergent

views, especially on the question of quantity. The Chinese demands go beyond the ceilings specified in the negotiating brief agreed by the Council on 25 February 1982. This directive was reaffirmed by the Council on 29 November 1983, although it was agreed that the Community should be more flexible within the general framework of these guidelines in an attempt to narrow the gulf between the negotiating parties. But we expect the Chinese to show more flexibility too. Although a certain amount of progress has been achieved, no concrete result was in view at the end of the first round of negotiations on 12 December 1983. The negotiations are to resume in March. The present agreement includes a clause which provides for automatic extension unless one of the signatories gives notice six months in advance. The Community has extended the agreement for 1984 and has, as agreed, based its calculations of the rates of increase for individual categories of textiles on the 1983 quantities.

Mr Cousté (DEP). — (FR) I should like first of all to thank the Commissioner for the very full explanations he has just given, which suggest that we shall shortly be embarking on a new negotiating phase, next month in fact.

What I am concerned about is the rumour that the People's Republic of China is proposing to join the Multifibre Arrangement. If that were the case, what would then be the position regarding quotas? Is there any likelihood of the quotas allocated under the bilateral agreement being increased?

Mr Narjes. — The People's Republic of China has now become party to the Multifibre Arrangement. This puts us under pressure to negotiate, but does not automatically mean that we have to change our position on quantities.

Mr Megahy (S). — I am glad to have the assurance in the reply made to Mr Cousté that there is no automatic obligation on their entry to the MFA to increase the quota. I hope that the Commission will take account of the very genuine concern among some sectors of the textile industry, certainly expressed in my part of West Yorkshire, about the very great increase in Chinese imports of textiles in recent years and their plans in the immediate future to double the production of woollen goods. I hope that the Commission, which has taken a very tough line up to now in negotiations with the Chinese, will not interpret the desire for flexibility in such a way as to cause further harm to the already depressed textile industry which is just now beginning to recover and, of course, in some parts of the Community is now receiving some Community aid to do this. I would trust that the Commission in these negotiations will continue to take a very tough line with the Chinese.

Mr Narjes. — In the course of further negotiations the Commission will of course bear in mind both regional needs and the needs of specific sectors of the European textile industry.

President: — Question No 40, by Mr Nyborg (H-472/83):

How much has the Commission spent in connection with protection against coastal erosion since the European Parliament adopted the Hume report (Doc. 1-830/80)?

Mr Richard, Member of the Commission. — There is no financial instrument at present specifically relating to coastal protection as such. But projects partly involving infrastructures for this purpose may qualify for Regional Fund assistance if the investment as a whole is rated as necessary for the economic development of the region concerned.

Since the House approved the Hume report, Regional Fund aid has been granted to 34 projects which involved operations for protecting the projects themselves against coastal erosion. Of these 28 were in Italy, 5 in Britain and 1 in France. Under the big 1980-84 forestry drive in certain arid Mediterranean areas of France and Italy, a number of tree plantations are being installed close to the shore which serve as windbreaks and shelter-belts and, at the same time, help to prevent ground erosion.

Also, I should tell the House that Regulation No 1975/82 on the acceleration of agricultural development in certain regions of Greece contains substantial provisions for afforestation operations and some of them are, of course, in coastal areas.

Mr Nyborg (DEP). — (DA) I should like to say thank you to the Commission for the honest answer we have been given and to ask for information on the 34 projects to which aid has apparently been granted. I hope that can be done.

Mr Richard. — Certainly, I could give a little today. But if the honourable gentleman would like to contact us, of course we will give him some information.

As I understand the position, in Italy 1.86 million units of account in all have gone to a total of 28 projects, 26 of them in Campania and in Sicily for the construction of dock and harbour installations designed to improve conditions for the development of business and tourism in these regions. Of necessity these projects involve measures against coastal erosion.

In Britain Regional Fund aid totalling 1.82 million ECU has gone to 5 projects, 3 of which are for the protection of the Irish Sea coast in the north-west, and the other 2 for a breakwater at Allerdale in the north and a study on the building of a mole at the Scottish port of Mallaig.

As regards EAGGF assistance, the areas that have been aided are in France: Lower Languedoc, the

Garrigue, the Maures, the Esterel and Corsica, and in Italy all the seaboard areas of mainland Italy and Sardinia. So there is some scope but, as I said in my earlier answer, the scope is really very limited and obviously tied to other financial instruments of the Community.

Miss Brookes (ED). I have listened with interest to the Commissioner's answer to the previous question and, in the light of that, may I ask the Commissioner that should the Gwynedd County Council or the Merioneth District Council make an application for European regional development aid for coastal erosion work in the north of Wales, would the Commission give their full and earnest consideration to this request, please?

Mr Richard. — The Commission will give its full and earnest consideration to any request made at any time by any constituent or local authority which happens to be in the constituency of the honourable Member. What I cannot do is tell you what the result of the consideration would be.

Mr Gontikas (PPE). — I wish to ask the Commissioner whether he can state here today the exact sum of money allocated to Greece for the same purpose?

Mr Richard. — I can give one figure to the honourable gentleman, which is that the total amount that was allocated in EAGGF aid for afforestation operations to Greece was 51.5 million units of account. What I cannot tell him today is precisely how much of that went into the coastal areas, but we know that some of it did.

President. — Question No 41, by Mr Israël (H-473/83):

Can the Commission comment on the mandate it is said to have received from the Council with a view to including human rights problems in the negotiations on the renewal of the Lomé Convention? Without compromising its negotiating strategy, can the Commission give some indication of the chances of success of such a plan?

Mr Narjes, Member of the Commission. — (DE) The Commission can confirm that the question of human rights will also be included in this round of negotiations on a renewal of the Lomé agreement. The Community regards both respect for human dignity and the right to personal development, as defined by the General Declaration of Human Rights of the European Convention on Human Rights, and the African Charter on Human Rights, as basic principles.

These principles are of prime importance when it comes to evaluating development. With regard to the current negotiations, however, the Commission would ask you to accept that we cannot give concrete details

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on the course of discussions with representatives of the ACP countries. The negotiations have only just begun and a conclusion is not yet in sight.

Mr Israël (DEP). — (FR) I thank the Commissioner for demonstrating his sense of collective responsibility by answering on behalf of the absent Mr Pisani. I trust he will also be able to answer the following question: Is the Commission prepared, at the forthcoming meeting in Brazzaville, to support our proposal for the setting up of a working party on human rights within the ACP-EEC Joint Committee?

Mr Narjes. — (DE) The question of whether a special working party should be set up is one of parliamentary expediency, which it will be easier to answer when the negotiations have reached a stage at which we can judge whether the present debate on the controversial distinction between basic and civil rights for the individual on the one hand and collective rights within the specific socio-cultural systems of our negotiating partners has come to a point where practical discussion is possible.

Mrs Le Roux (COM). — (FR) Would the Commissioner not agree that the most serious violation of human rights that we should be looking into at this time is to be seen in what is going on right now in South Africa?

Mr Narjes. — (DE) South Africa is not a party to the ACP negotiations.

Mr Habsburg (PPE). — (DE) Commissioner, is the Commission aware that this Parliament will attach particular importance to the question of human rights in its assessment of the outcome of the negotiations on the next Lomé Agreement?

Mr Narjes. — (DE) Yes.

President. — As the author is not present, Question No 42 will be answered in writing.¹

Question No 43, by Mr Moreland (H-535/83):

What does the Commission propose to strengthen the Community's ceramic industry to meet the competition from the Far East?

Mr Davignon, Vice-President of the Commission. — (FR) What the Community can do for a particular industrial sector is first of all create the general conditions that will allow the industry to be as competitive as possible; after which, there are three lines of thought to be pursued.

Firstly, the industry has to ensure that it is able to reach its markets outside the Community. It is for this reason that we have approached Japan with a view to removing certain barriers to the penetration of the Japanese market, especially with regard to a certain number of specific products.

Secondly, we must see to it that, when giving preferences to third countries — here, as it happens, we are talking about generalized preferences — they fall within carefully specified limits. That is what we are doing.

And finally, in order to promote cooperation between the various industries, we need to expand research. We do in fact have a research programme with precisely this aim in view, and the projects that are now before the Council provide for expansion of these very research programmes that we regard as being vital.

Mr Moreland (ED). — I am grateful to the Commissioner for his answer, with which I very much agree. Does he not also feel that one area that ought to be of very great concern to us in the Far East in China, which, after all, is the home of the ceramic industry. We know that there is an industry growing there. Should the Commission not be examining very carefully what is going on in China and perhaps conduct a study with a view to seeing what its effect would be on the Community's industry?

Mr Davignon. — (FR) There is no disputing the fact that in the area of ceramics and porcelain China's significance is considerable, and we are monitoring imports of a number of this class of products coming from China. We shall continue to keep a close watch on developments and to consider, together with the industry, the ways in which it will need to adapt in order to meet the situation.

Mr Cousté (DEP). — (FR) I thank Mr Davignon for his answer and now I should like to know, since he talked about Japan and about opening up Japan to European ceramic goods, how does he view the fact that some Member States of the Community are helping Japanese undertakings to establish a manufacturing base for ceramics within the Community, as was the case with a major Japanese company which did this, with State aid, in Belgium?

Mr Davignon. — (FR) Mr Cousté, there are two aspects to the problem: We must first ensure that the way in which a particular industry is subsidized, regardless of who actually puts up the money, complies with Community rules and that there is no distortion of competition. There are rules covering this and we keep strictly to them.

As to the more general question of industrial advantage or disadvantage, there are a number of different interests that need to be reconciled. We cannot, on the one hand, say to the Japanese that they should stick to exporting, that it is inconsistent with their responsibilities in relation to the stability of the world economic and commercial system, and then, when they do invest and create jobs, turn round to them and say they cannot do that either. At any given time a

¹ See Annex I.

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choice has to be made and it is difficult to hypothesize in the abstract on such matters. Each case has to be judged on its merits and, where the Commission is concerned, it is not its job to decide on the merits of the investment but to ensure that the investment is in accordance with Community rules.

Mr Prout (ED). — The Commission knows of the recent and rapid growth of the ceramic industry in Eastern Europe. Is it aware of the damage that could be done to our own ceramic industry by State-subsidized competition from Eastern Europe? Will it monitor this matter closely with regard to the dangers of dumping?

Mr Davignon. — *(FR)* The problem is a simple one: the responsibility in these matters lies initially with the industry or with the governments to provide us with particulars whenever there is evidence to suggest that the increase in imports into the Community is due not to the fact that the products are more competitive but to the fact that they are being unlawfully subsidized. If such is the case, we in the Community are equipped to deal quickly with these incidents and, as the honourable Member knows, the number of anti-dumping actions that we have instituted in recent months has risen, partly because cases of dumping are themselves on the increase and partly because our dialogue with industry enables us to identify those cases where legal action is justified. The ceramic industry falls into this category but, as I said, it is not for us to try to anticipate and assess the differences in prices compared to our own products, it is up to our industries to make the first move. We, for our part, are ready and willing to look at their case files and to deal with them quickly and effectively.

Mr Habsburg (PPE). — *(DE)* Commissioner, we have just discussed a whole range of problems that affect our ceramic industry. Is the Commission aware, and is it concerned at the fact that Taiwan has recently taken to copying European design on a large scale, thereby putting our industry at a serious disadvantage?

Mr Davignon. — *(FR)* Mr Habsburg, we know all about the whole complex business of the copying and infringement of trademarks. The Community is not alone in bringing pressure to bear where such matters are concerned, in this instance involving Taiwan. The United States and Japan, too, are seeking to ensure that these kinds of distortions do not occur. This is a constant and difficult problem, for, as you know, these fraudsters are even more resourceful than the customs officials.

Mr Enright (S). — Does the Commission not find it somewhat odd that Mr Moreland, who is a public believer in the market economy, should be

demanding protectionism at this time? This former disciple has now become a convert more spectacular than St Paul at Damascus and is demanding, just before an election, protectionism for his industry. Will he therefore welcome this conversion by Mr Moreland to the principle of planned trade rather than free trade and will the Commission continue its normal sensible path in trading rather than following the nonsense that he has previously propagated?

President. — Mr Enright, I would refer you to Annex I of our Rules of Procedure which prescribe how Question Time should be conducted. We do not want any discussions dressed up as questions between Members of the House. I therefore request that only questions addressed to the Commission should be answered.

Mr Davignon. — *(FR)* Mr President, I think it is always interesting for the Commission to watch this kind of ping-pong game between two opposing parties. That is more in the nature of an observation than a judgment. I have given the Commission's position on what it believes its policy to be. Members are perfectly within their rights to comment on it, but not to expect the Commission to comment on their comments.

Mr Gontikas (PPE). — *(GR)* Can the Commissioner tell us when the Commission will be in a position to put forward a full common programme of research into the sector of the ceramics industry, so that the Community's ceramic goods manufacturing industry can compete with, and perhaps even surpass the productivity and supply performance of the Far East?

Mr Davignon. — *(FR)* The Commission has submitted a programme to the Council, a research programme is currently being implemented through what we call concerted actions and jointly financed actions with specific objectives in view. The programme presently under discussion by the Council, covering the next five years, makes provision for extending this programme to include specific targets. It will be discussed by the Council at its meeting to be held on the 28th. In point of fact Parliament has, through its Committee on Energy, Research and Technology, stated its position on all of these suggestions. It goes without saying that what we are talking about here are framework measures. It would be ludicrous to imagine that research will, at a stroke, create the conditions in which European industrial firms can somehow leap ahead of their competitors. That is only a part of the brief and that is why I referred to it as one of the three lines of thought underlying the Commission's policy. It is certainly an essential component, but it is not enough on its own.

Mr Moreland (ED). — Mr President, I am sure you will allow me to make a personal statement quite simply to say that nothing in my question ...

President. — Mr Moreland, you can only make your statement at the end of Question Time.

Question No 44, by Mrs Le Roux (H-539/83):

Could the Commission indicate what proposals it intends to make to prevent the misuse of hormones in meat production?

Mr Dalsager, Member of the Commission. — (DA) I would first remind you that we already have a ban on the use of stilbenes and thyreostatics in animal production in the Community. Proposals for measures which we thought necessary to control abuses have already been put before Parliament. The Council has unfortunately not been able to reach agreement on all our proposals.

We have now carried out extensive scientific investigations and heard many experts. This work has now been completed, and the results and conclusions we have reached along with suitable proposals on the matter will soon be on the table before you. We aim to meet the wishes of the consumers to get an early solution to this problem. According to scientific opinion, natural hormones should not involve any hazard to the health of consumers, when they are used under appropriate conditions as substances to stimulate growth in domestic animals. The Commission thinks that, by making available safe and approved substances, it will be possible to counter the temptation to use prohibited substances illegally. It continues to be necessary, however, to adopt common rules for control. We propose that controls should be applied at all levels, so that no banned substances are present on commercial and industrial premises, in pharmacies, on farms and as residues in meat. Parallel controls must also be applied to ensure that products which can be permitted without risk are used correctly.

Great concern has been expressed over two other substances having a hormonal effect, which are not normally found in animals. Community experts have also been asked to investigate the toxicity of these substances, but they noted that a number of important data were not available. I deplore the fact that certain Member States have permitted these substances, evidently on the basis of insufficient information regarding their safety in use. We cannot therefore support their approval for use in the Community and see no alternative to issuing a ban on them, as long as there is no proof that they are risk-free.

Mrs Le Roux (COM). — (FR) I thank the Commissioner for his reply. Although we would appear to be making some headway in this matter, I should like nevertheless to be able to tell the consumers and the farmers, who have been waiting so long for something to be done, whether the Commissioner intends submitting a proposal in the months ahead.

Can he give any kind of timetable, because his 'soon' is a little too vague for my liking?

Mr Dalsager. — (DA) As the Honourable Member will no doubt realize, this is a question which requires some technical preparation. I cannot therefore give a precise date, but I can say that we shall do our utmost to present the proposal to the Council and Parliament within the next few weeks.

Mrs Weber (S). — (DE) Commissioner, do you share my view that it would be more sensible to ask the Council when it intends to take positive action and reach a decision on this matter?

Can you also tell us what happened to the veal that, contrary to Parliament's express wishes, was bought up by the Commission because it contained hormone residues and consumers had refused to buy it? I would very much like to know what has happened to this meat.

Mr Dalsager. — (DA) I cannot answer the second question put by the Honourable Member at this moment, but I will look into it and send a written answer.

Mr Harris (ED). — Whatever one might think about hormones in meat — and I personally have views on this — does the Commissioner agree that what happened recently in France when farmers disrupted the free flow of trade, hijacked lorries — perhaps with the connivance of some of the authorities — was absolutely disgraceful? What is the Commission going to do to see that the free flow of legitimate trade is maintained and that there are no interruptions on bogus grounds either by the official authorities or indeed by illegal action by farmers?

President. — Mr Harris, I cannot permit your question to be answered since it has nothing to do with the original question.

Mr Harris (ED). — Surely one of the grounds which was advanced, at least by authorities, for specific checks was the question of hormones in meat and my question was asked in that context.

President. — In that case I beg your forgiveness and request an answer from the Commission.

Mr Dalsager. — (DA) Whenever the Commission realizes that the rules on free trade in and free movement of agricultural products between Member States are being infringed, we do whatever we can at the time: we contact the Member States and draw to their attention that it is their duty to ensure that free cross-frontier trade in farm products is assured. In the instance raised by the Honourable Member, it is also the Member State in question which has responsibility for ensuring that free trade is not impeded.

President. — Question No 45, by Mr Habsburg (H-591/83):

Are the press reports that Interagra has sold 50 000 tonnes of meat, 12 000 tonnes of flour and 1.3 million tonnes of grain to the USSR from the Community in the course of little over a month accurate? Is this not fresh evidence of monopolistic manipulation for political motives by state trading countries, and would the Commission be prepared to take suitable steps to prevent further distortions of competition in this area?

Mr Dalsager, Member of the Commission. — (DA) The Commission is not quite sure what reports in the press the Honourable Member is referring to. The reports concerning meat seem strongly exaggerated, since the export licences issued for beef in December 1983 covered a total of about 11 000 tonnes. On the other hand, the figures for flour and wheat are roughly correct. Community financing of sales to third countries is applied in accordance with the usual criteria of free competition. No particular traders are favoured by this procedure. In these circumstances the Commission cannot really understand the distortions which have been referred to, since — even if we are not aware of the details at national level — we do know that the orders approved for such exports in the period in question were spread among several exporters.

Mr Habsburg (PPE). — (DE) Commissioner, I would like first of all to stress that all the French press reported this story and quoted these figures. I would refer you in particular to *Le Monde*. Commissioner, are you aware that the distortion to competition I mentioned is not caused by us, but by the state-trading nations who buy from us. It is well known that Interagra was in serious financial difficulties from which this transaction has enabled it to recover. Other businesses would no doubt be very grateful if they too were to receive this kind of help from the government.

Mr Dalsager. — (DA) The transactions which took place during the period in question were not conducted with a single firm but with several. We do know that much. Also, we have sold goods at prices which we otherwise could not have expected; we have secured some sales which worked out to the advantage of the Community, to the advantage of our stock position etc. Special problems regarding the individual transactions only arise in the national offices which are concerned with the business. I repeat that the Community has distributed the orders among several traders by a tender procedure. That is what the Commission at present knows about the transactions referred to by the honourable Member.

Mr Marshall (ED). — Many in this House find the Commissioner's complacent attitude quite offensive. For many of us the sooner this trade stops the better.

Is the Commissioner not aware that many people find it offensive that the enemies of freedom should be subsidized by the taxpayers and consumers of the Community?

Mr Dalsager. — (DA) We have had the Community's exports under discussion for some time, for some years. As the honourable Member knows, the rules are such that the Community exports to the places where the customers are, on quite specific conditions. Until this is changed by the Council, Parliament and the Commission, therefore, the Commission cannot sort exports according to destinations. I must also add that, with the prevailing stock position for various products, we honestly think that we must compete, for example with our American friends, for the exports that are open to us. Until this is changed, therefore, we are not able to ...

(Interruptions)

Indeed the honourable Member can buy up our stocks, if he thinks that there are other buyers who are able and can afford to buy our stocks.

Mr Blumenfeld (PPE). — (DE) Commissioner, I would like to ask a question that is quite independent of your answer to Mr Habsburg's question regarding the December delivery: Is the Commission aware that the Marseilles company in question, belonging to the Frenchman Mr Doumeng, has, for many years, had a complete monopoly as far as the supply of farm produce to the Soviet Union and Eastern European countries is concerned, that this company is financed from Community funds and that the profits from Interagra are passed on to a specific French political party?

Mr Dalsager. — (DA) Mr Blumenfeld must realize that Community exports to Eastern Europe pass through many channels, and not just through one particular firm. They pass through channels in Ireland, in Denmark, in the United Kingdom — and even in the Federal Republic of Germany there are quite considerable exports to Eastern Europe. So we cannot accept the assertion that there is any monopoly. I will not enter into a discussion of the further political consequences of the existence of this firm.

President. — Question No 46, by Mr Seeler (H-599/83):

Will the Commission state how many Industrial Cooperation Conferences have taken place so far between representatives of banking, industry and commerce from the EEC and Asean countries and how much financial support has the Community made available to enable these conferences to take place?

Mr Narjes, Member of the Commission. — (DE) To date, the Commission has organized three conferences on industrial cooperation with representatives from

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private industry in the Asean countries and the Member States, in 1977, 1979 and 1983. The first two conferences in 1977 and 1979 were jointly financed by the Commission and a European banking consortium. In 1977 the Commission contributed 250 000 ECU and in 1979 150 000 ECU. The 1983 conference was entirely financed by the Commission, at a cost of 418 000 ECU. The Commission intends to continue to organize and finance such conferences. Three seminars on investment potential in the Asean countries, aimed at medium-sized European companies, are planned for 1984 and will take place from 25 March to 3 April 1984 in London, Paris and Bonn. A fourth EEC/Asean industrial conference is planned for 1985 and is to take place in the Asean area. The Commission considers industrial cooperation one of the most worthwhile aspects of cooperation between the EEC and the Asean countries.

Mr Seeler (S). — *(DE)* When I was in Thailand last week as a member of the Asean Delegation, I discovered that the trade unions in Thailand would very much welcome a similar opportunity for contacts with European trade unions. Is the Commission prepared — as it has already indicated — to finance such meetings within the framework of the 1980 cooperation agreement?

Mr Narjes. — *(DE)* I would not rule out this possibility Asean provided that such meetings yield useful results in terms of the industrial and economic goals of cooperation.

Mr Prag (ED). — I, too, have just returned from Southeast Asia, and one of the points made to us was that three years ago, when the Cooperation Agreement with the Asean countries was signed, the European Community was last — after the United States and Japan — in the field of trade and investment relations with the five Asean countries. Today, three years later, we are still last. This is a rapidly growing area, which still has 7 to 8% growth and 250 million people. These countries feel that the Cooperation Agreement is quite inadequate and that they are becoming the backyard of the United States and Japan.

Will the Commission press the Member States to make much more intensive efforts to expand Community trade with and Community investment in the Asean region?

Mr Narjes. — *(DE)* The Commission is aware that the Community is third in terms of trade and investment relations with the Asean countries. The Commission is also in constant touch with the Member States on the question of the presence of the European Community in this region. At the same time, the Commission recognizes the considerable practical difficulties in fulfilling the expectations that these

countries cherish in relation to the Community presence and in particular the possible level of investment. A number of European delegations have indicated that it is practically impossible to fulfill the expectations generated in this region.

Mr van Aerssen (PPE). — *(DE)* It has been suggested by some businessmen, who are interested in the Asean countries, that a Business Council should be set up as a first step towards combating the practical difficulties you mention. This would be the first time in the history of the European Community that an organization of this type was set up in cooperation with another regional organization. Does the Commission share the view that this would provide a forum where the problems rightly raised by Mr Seeler and Mr Prag could be solved and a new attempt could be made to coordinate the entire economic potential of this region?

Mr Narjes. — *(DE)* A Business Council does in fact already exist, but I must admit that we are not in complete agreement, nor entirely satisfied with the way it is working. There are problems of organization and of establishing what can be achieved in this area in practical terms.

Mrs Weber (S). — *(DE)* Commissioner, the Commission has been asked twice, by Mr Giolitti and Mr Brunner, whether it is prepared to finance a trade union conference. I do not think that a sufficiently clear answer has been given. Will the Commission provide financial aid for a trade union conference, given that it provides such generous financial help to business conferences?

Mr Narjes. — *(DE)* The question is whether there is sufficient interest in such a conference. As I said before, provided that such conferences achieve concrete results and provided that there are a sufficient number of potential participants, of course we are prepared to give financial support.

President. — Question No 47, by Mr Moorhouse (H-619/83):

Telephones can now be purchased in the United Kingdom following the liberalization of the British telecommunications monopoly. What is the position in each of the other Member States as regards sales of telephones to users?

Mr Andriessen, Member of the Commission. — *(NL)* A survey carried out on the telecommunications monopolies in the various Member States has revealed that there are in fact three different situations.

Firstly, a complete monopoly, implying the exclusive right to supply, install and maintain equipment. Secondly, a monopoly only as regards the first telephone. And thirdly, no monopoly at all. A complete monopoly is to be found only in Ireland and the

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Netherlands. In these countries the consumer is unable to buy equipment from private suppliers for connection to the public telephone system.

A monopoly as regards the first telephone is to be found in most Member States, that is to say, in Denmark, the Federal Republic of Germany, France, Italy and the United Kingdom. It may also be possible to rent rather than buy the first telephone from the agency with the monopoly. This is the case in Germany and the United Kingdom.

The third situation, in which there is no monopoly, exists in Belgium and Luxembourg. At the moment no information is available on the situation in Greece.

Mr Moorhouse (ED). — I would thank the Commissioner for his answer, which was relatively encouraging for those of us who believe in further privatization of the telephone sector. Good telecommunications are at the very heart of a thriving European Community, both for the individual and for commerce and industry. We can already see the benefits to the telephone user of privatization in the United Kingdom. Would not the Commission agree that the injection of private capital and increased competition can improve service to the consumer and that this approach should be adopted in a more far-reaching way in all the Member States?

Mr Andriessen. — (NL) My answer to the honourable Member's first question is by and large in the affirmative.

As regards his second question, I am able to say that some Member States are now discussing proposals or measures designed to restrict their monopolies. This is the case, for example, in the Netherlands, where a government commission recently published recommendations on the subject. Ireland is also in the process of considering changes to its telecommunications monopoly. In the United Kingdom it is expected that British Telecom will lose part of its monopoly in late 1984.

The Commission has been active, particularly with regard to the establishment of a genuine telecommunications market in the Community, and it has submitted a proposal for a recommendation to the Council in this respect. Where the competition policy is concerned, the Commission recently took a decision on British Telecom, which is now being contested in the Court of Justice by a Member State other than that which it concerned, and the Commission very recently initiated proceedings against the Federal Post Office, although I cannot yet anticipate the outcome of this action.

Mr Purvis (ED). — Although I agree with my colleague, Mr Moorhouse, on the importance of this, including its importance for the future of our informatics industry, I am not nearly as happy as he is about the progress being made. In effect, we have 10

completely separate and isolated telecommunications markets in the Community. What urgent steps is the Commissioner planning to take firstly to ensure that the standards for telephone appliances in one Member State are acceptable in all others and secondly to ensure plug-in compatibility between the telecommunications systems of the Member States?

Mr Andriessen. — (NL) The Commission agrees that too little progress has been made in the past in this important area, on which the industrial future of the Community partly depends. That is one of the reasons why the Commission felt it must take the steps I have just described.

The specific proposals the honourable Member has just made concerning the introduction of a more extensive system of standards and the compatibility of telecommunications systems would make a major contribution to progress in this important sector. The honourable Member will appreciate, as the Commission does, that we are dealing here with an area in which national interests are still very strong and that results will not be achieved unless a tough line is taken.

Mr van Aerssen (PPE). — (DE) Commissioner, now that information technology has become a key industry in the European Community and, as you correctly pointed out, the old monopolistic structures no longer fit into our modern society and actively hamper progress, I would like to ask the Commission whether, alongside its commitment to the harmonization of standards in this field, it would be prepared as the guardian of the Treaty of Rome and as the driving force behind the Community, to prepare proposals to supplement the Treaty of Rome in an area the scope of which could not be recognized by the founding fathers when the Treaty was drawn up?

Mr Andriessen. — (NL) I believe this is completely in line with the Commission's approach, as I have just described it. The Commission is prepared to seize the opportunities offered by the Treaty to submit practical proposals to the Member States with a view to making progress in this important area.

President. — Question No 48, by Mr Wedekind (H-367/83):¹

Despite various efforts to encourage them, the number of student exchanges within the European Community remains at a surprisingly low level. The integration of education or study, involving at least a period of study in a neighbouring Community country, should serve to further the integration of the Community itself. However, this process is systematically impeded in the individual countries by bureaucratic and financial obstacles.

¹ Former oral question without debate (0-48/83), converted into a question for Question Time.

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- What steps will the Commission take to rectify this deplorable state of affairs ?
- Does the Commission see any possibility of promoting or intensifying twinning arrangements between universities ?
- What means are at the Commission's disposal for rapidly removing the obstacles to mobility set up in the individual countries ?
- Could the Commission consider awarding grants to highly gifted students of the countries of the Community thus enabling them to spend a period of study in a Community country other than their own ?

Mr Richard, Member of the Commission. — Since the adoption of the action programme in the field of education on 9 February 1976, the Commission has been engaged in taking measures to contribute towards eliminating major obstacles to the mobility of higher education students in the Community. On 27 June 1980 the Council of Ministers for Education agreed in substance to the Education Committee's general report referring *inter alia* to the measures to be taken with respect to numerical limitation and admission criteria, financial aspects and language requirements.

Since 1976 there exist two modest financial support schemes designed to promote practical cooperation between higher education institutions. As a result 350 joint study programmes have to date been set up, linking approximately 500 higher education institutions in the different Member States. These schemes are highly appreciated in higher education circles, but only one out of three applications can be accepted for a grant due to the inadequate resources allocated for this purpose. In 1983, for example, it was 717 000 units of account. During the same period 543 grants for short study visits have been awarded, as against the very much larger number of eligible applications which had to be refused.

Seven years experience of the development of joint study programmes shows that these contribute effectively on a practical level to helping to solve the mobility problems of students and professors in higher education. Due to the positive response of Parliament and the Council, a new budget line has been established. The general education budget for 1984 together with the fund available on line 6302 allow for an increase of 50% in 1984 in the total amount available for grants.

In 1978 the Commission submitted to the Education Committee a proposal for a European Community scholarship scheme for students. Although this has not been approved, the Commission has in the meantime produced a study entitled 'Financial support for students for the purpose of study in another Member State of the Community' in order to clarify the financial situation of students. The Commission therefore intends to use part of the 1984 increase in funds for

the support of students participating in the joint study programme.

I apologize to the House for the length of that answer, but I hope the House will appreciate that in the question itself we are, in fact, asked, I think, no less than five different questions. It therefore seemed appropriate that I should try and deal with them, since I was on my feet, at one go !

Miss Hooper (ED). — Would the Commissioner not agree that there can be no better way of improving the internationalization of education than by facilitating the exchange of teachers as well as students ? I understand that in certain member countries teachers are civil servants and are required, therefore, to have the nationality of their own country. This clearly impedes the free movement of teachers. What steps is the Commission taking to remove this particular barrier ?

Mr Richard. — I had not anticipated that supplementary question, since it is very far indeed from the original question. I know this is a problem. I also know that it is an issue that the Commission has, in fact, been looking at. I think the most sensible way of dealing with it would be for me to write to the honourable Member setting out the Commission's position.

Mr Rogalla (S). — (DE) I hope that the Commissioner will accept my question as supplementary to Mr Wedekind's question, which related to inter-university joint study programmes. I would like to ask the Commission whether it is prepared to promote the internationalization of education in the Community and to give priority to those universities that have already set up or are in the process of setting up joint study programmes by exchanging students or teachers ?

Mr Richard. — The short answer to the honourable gentleman's question is yes. Since 1976, as I said in my original answer, 350 joint study programmes of the sort that the honourable Member has got in mind have been set up, linking approximately 500 higher education institutions in different Member States. We are obviously in favour of that and are encouraging the process. However, the point that I did make to the House — which, if I may, I will re-emphasize — is that while that is, so to speak, the success side of the balance sheet, the failure side of the balance sheet is that only one out of three applications — worthy and sensible applications — could in fact be granted because we do not have the money to do it.

President. — Question No 49, by Mr Marshall (H-498/83)¹ :

What losses have been incurred by the French tobacco monopoly during the past five years ? Does the Commission agree that these losses are a

¹ Former oral question without debate (0-67/83), converted into a question for Question Time.

President

cause of the significant price differential between imported and French cigarettes? Does the Commission not agree that this causes a distortion of competition? What action does it intend to take to stop this breach of the spirit of the Treaty?

Mr Andriessen, Member of the Commission. — (NL) I am sorry that I shall now have to quote quite a few figures, but as that is what the question is about, I cannot unfortunately avoid it.

The Commission has figures on the losses incurred by the French tobacco monopoly up to 1982. In 1978 the loss amounted to over 302m French francs. In 1979 it was over 236m, in 1980, a fiscal year of nine months, almost 148m, in 1981, a fiscal year of fifteen months, 138m, and in 1982 over 124m French francs, after 280m French francs in pension charges had been transferred to third parties.

This is not the first time we have discussed this matter in Parliament and, as regards the causes of these losses, I can do no more than reiterate what I have said in the past, that (a) the Commission has begun an investigation into the losses and (b) statements by the French Government reveal that no aid or subsidies have been granted to SEITA, that the losses are principally due to an exceptionally high number of pensions dating back to the former crude tobacco monopoly and that these losses are not due to the policy on the retail price of cigarettes.

As regards future action, I would again refer you to what has previously been said on this subject. In line with the initial application of the 1980 transparency directive, as it is known, the Commission has also included processed tobacco in the investigation in the various Member States having monopolies in this sector, France and Italy. In both cases, losses have been incurred for a number of years. It is not yet known what the outcome of this investigation will be, but it will undoubtedly throw more light on the factors that have led to the losses to which I have referred. If and when the investigation indicates the need for further action on the Commission's part, it will not, of course, hesitate to take appropriate measures.

IN THE CHAIR :
MRS CASSANMAGNAGO CERRETTI

Vice-President

Mr Marshall (ED). — I thank the Commissioner for that reply, which indicated that over a five-year period the French tobacco monopoly had lost nearly 1 000 million French francs. If the Commissioner is seriously asking the House to believe that this is unrelated to the pricing policy of the French tobacco monopoly, I suggest that he goes downstairs and looks

at the price of 20 Gauloises, which is FF 6.65, and 20 imported cigarettes, which is just 10 French francs. Does he not accept that a difference of 50% in the price of 20 cigarettes would tend to suggest that these losses are in fact, being caused partially by the pricing policy of the French tobacco monopoly? Can he tell us when this survey which he talked about is due to be received by the Commission, because a whole series of questions about the activities of the French and Italian tobacco monopolies have been swept aside by a series of inadequate answers?

Mr Andriessen. — (NL) I was not suggesting that the very high pension payments are the only cause of the losses incurred by SEITA. But they are certainly a major cause.

As you will have gathered from the figures I have quoted, the losses have decreased over the years. As I have said, we are still investigating the matter, and the result of this investigation will tell us whether we need to take further action.

Nor is this the first time that monopolies as such have been discussed in this Assembly. It really is taking far too long to find a solution to this problem. What I can say is that we have now almost completed our work where both Italy and France are concerned. We know what has to be done about eliminating the elements which are unacceptable to the Commission and, as regards the action that needs to be taken in this respect, we have reached the final stage, and I therefore hope that the cause of the matter which rightly annoys the honourable Member can be completely eliminated in the course of this year.

Mr Beazley (ED). — In view of the number of cases it has had to bring before the Court of Justice, is the Commission now willing to admit that it has had more trouble in getting the monopolistic tobacco industries of France and Italy to comply with its requirements than the free enterprise ones, whose interest it was meant to further but which in the long run it militates against? Specifically, what is the Commission doing to remove the illegal surtax imposed by the French industry and the retail price fixing practised by the French Government to the detriment of importers? Finally, is the Commission calling for a further prolongation of the second stage of harmonization in order to have time to work out a scheme which will be different from the present one and may better achieve the objectives set out for the present scheme?

Mr Andriessen. — (NL) The fact that gaining an insight into the financial relations between governments and state-owned undertakings causes problems prompted the Commission to put forward a proposal in 1980 for what has now come to be known as the 'transparency directive', in other words, a directive

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which requires the Member States to notify the Commission of financial relations between governments and their undertakings. I cannot say that the Commission is fully satisfied with the application of this directive, but it remains active and diligent in this respect.

As regards the question of prices, to which the honourable Member has referred, I can say that the agreements we have reached with the French Government on the adjustment of the situation in France to the situation in the Community also includes clear-cut provisions on this aspect and that, if I am rightly informed, they are being enforced at this time. A problem that has not yet been completely solved concerns the establishment of suppliers who do not belong to the system.

The question of harmonization, if I understood the honourable Member correctly, is linked to a subject on which there have been long debates on several occasions in this Assembly and of which I assume my colleague Mr Tugendhat does not always have the fondest memories.

President. — Question No 50, by Mr von Wogau (H-517/83):

Does the Commission agree that introducing a countervailing levy on steel would conflict with treaty law and lead to a further deterioration of the conditions attaching to the exchange of goods within the Community, and that fair competition in the steel market can only be achieved by reviewing the aid and subsidies granted by all the Community's steel-producing countries, including the Federal Republic of Germany?

Mr Davignon, Vice-President of the Commission. — (FR) Article 37 of the ECSC Treaty lays down very strict conditions as regards the introduction of provisions of this nature, since it requires the existence of fundamental and persistent disturbances in the economy of the Member State, and this levy can only be introduced once the Member State has brought the situation to the Commission's attention and once the Commission has taken a position on the matter.

Up to now, the Commission has never been formally requested to apply Article 37 to steel, and as for the Commission's policy, it is clear that the decision taken in January, which involved the quota system provided for in Article 58 being continued up to the end of 1985, coupled with the measures taken to ensure fair competition in the steel market and the vetting and monitoring of subsidies, mean that it would not be possible to show evidence of persistent and special problems in relation to the steel industry in any given Member State.

Mr von Wogau (PPE). — (DE) Commissioner, it is correct that no formal application was made, but

demands to this effect were expressed publicly in a certain Member State and it was reported in the press. It is my impression that this subject, like the Loch Ness Monster, keeps coming up. The steel market has time and again been subject to a series of dirigiste measures which mainly affect steel-processing companies. These firms, which are often small and medium-sized undertakings, are the first to suffer from these central controls. They would also be the hardest hit by this measure.

In conclusion, I should like to put a further question to you, Commissioner: Are you aware of a passage on page 84 of the document by the West German steel experts where they suggest training unemployed steelworkers to become customs officials so that they can ensure that consignments of steel from other countries do not cross the borders of West Germany? I should like to ask you what you think of this proposal.

Mr Davignon. — (FR) Very likely much the same as the honourable Member.

President. — As the author is not present, Question No 51 will be answered in writing¹.

Question No 52 by Mr van Aerssen (H-574/83):

At the 39th Annual Conference, the Director General of GATT, without seeking authorization from the majority of GATT members, appointed a group of seven wise men, because GATT had allegedly reached an impasse.

Does the Commission share the view that official trade policy risks falling into private hands, especially since democratic control is now no longer guaranteed and that there is a danger that particularly business-conscious organizations will utilize the prestige and first-hand information which they will then pass on to an exclusive clientele in return for payment?

Mr Narjes, Member of the Commission. — (DE) It is true that the Director General of GATT informed the annual conference in November 1983 that he had appointed an independent working party consisting of seven distinguished members. This group, which reports directly to him is to investigate fundamental problems of international trade and consider how these problems can be solved before the end of the decade.

The costs of this study are not to be financed from the general GATT budget. The report is to be addressed to the Director General of GATT, who will then be able to submit proposals under the normal procedure. Other GATT Member States are in no way affected and will have every opportunity of presenting their own opinion on international trade problems and their suggested solutions.

¹ See Annex J.

Mr van Aerssen (PPE). — *(DE)* Following the Commissioner's comprehensive reply to this question, for which I am grateful and which dispels my misgivings. I should like to ask whether he can tell us what the Commission's view is on the proposal that a new round of GATT talks should be opened in 1985. This suggestion has been put to GATT by various international economists and is supported by several groups in America, Japan and the European Community.

Mr Narjes. — *(DE)* In principle the Commission favours a further round of GATT talks, but we have repeatedly stressed that these must be prepared very carefully, particularly since we can assume that these talks would include service industries and other areas not previously covered in GATT negotiations.

President. — Question No 53, by Mr Rogalla (H-562/83):¹

Where does the customs frontier of the European Communities' Customs Union lie, and according to what legal provisions is it drawn?

Mr Narjes, Member of the Commission. — *(DE)* The customs frontier is the outer limit of the customs area of the Community. This customs area is defined in Article 1 of Council Regulation No 1496/68 of 27 September 1968, which relates to the Community customs area; it was last amended on Greece's accession to the Common Market. This means that the Community customs area consists of the sum of the sovereign areas of Member States. I would refer you to the above 1968 regulation for further details.

Mr Rogalla (S). — *(DE)* I would like to thank the Commissioner for this information and ask if, on the basis of this information, I can tell steelworkers in Bochum that under Article 9 of the EC Treaty the unified customs area permits no obstacles to the free exchange of goods, including non-tariff obstacles and that the Commission is prepared to take action against any Member State for infringements — of which there are hundreds — if possible before the end of the year. If you could confirm that I am correct in this assumption, then my steelworkers would certainly place high hopes in the election of the European Parliament.

Mr Narjes. — *(DE)* As the Honourable Member will be aware, the Commission follows up any case that is drawn to its attention. Last year 900 cases were brought to our attention. All of these were pursued and have now reached various stages. This means that we do not tolerate any non-tariff obstacles to trade unless they are covered by Article 36, which you will be familiar with. Your reference to steelworkers in Bochum, however, prompts me to point out that my

information is confined to the EEC Treaty and does not automatically apply to any obstacles which may arise from European Coal and Steel Community regulations.

Mr Moreland (ED). — Would the Commissioner not agree with me that many people exporting from one Member State to another might still believe that the customs union in fact exists around each of the 10 individual Member States, in view of the many difficulties that people still have in bringing goods across borders? Can he give us an assurance that he will not rest on the success that he had at the internal market Council just before Christmas, where he managed to get through some procedures to reduce these barriers, and that he will go on to produce further proposals so that we can gradually — indeed, I would say as quickly as possible — reduce these barriers to trade?

Mr Narjes. — *(DE)* I fully concur with the Honourable Member's description of the current situation. I will make every effort to fulfill the hopes placed in the Commission and I am counting on your cooperation to overcome the difficulties with the Council which are obstructing the implementation of our proposals.

Mr van Aerssen (PPE). — *(DE)* We are grateful to the Commissioner for assuring us that he will continue to take a hard line. His reference to 900 cases, which is a valuable piece of information, leads me to ask whether it is possible to draw up a catalogue of cases so that we know the areas where the real sins are being committed against the internal market. This would make it much easier for us to explain matters to our worthy steelworkers, whose interests I also represent, Mr Rogalla, and to establish better ways of getting to grips with this problem in future.

Mr Narjes. — *(DE)* Our regular annual report contains a rough classification of such cases, and an overview of the state of proceedings, and a report on the extent to which the Member States have complied with our demands. The report for 1983, which I referred to, will probably be available in time for the final phase of the election campaign for the European Parliament.

President. — As the authors are not present, Questions Nos 54 and 55 will be answered in writing¹.

Question No 56, by Miss Quin (H-601/83):

Has the Commission drawn up a report on a comparative survey of the situation of the aged as requested by the European Parliament in its resolution in the Squarcialupi report — Doc. PE 72.784?

¹ For written question No 1643/83, converted into a question for Question Time.

¹ See Annex 1.

Mr Richard, Member of the Commission. — The Commission has not drawn up a report on a comparative survey of the situation of the aged as requested by Parliament. The reasons for this are quite simple. In 1983 the funds available for the whole of these activities in the Commission and by the Commission amounted to 50 000 units of account. The number of personnel that is available for this work is extraordinarily limited, and therefore we had to decide where we could best use the limited amount of money that was available to us. We therefore came to the conclusion that it would be more sensible, rather than putting all the effort into producing this survey, which would be a major work on behalf of the Commission, to finance a series of studies, each one smaller in scope but each one of some importance. May I therefore draw Parliament's attention to a report entitled, 'Towards an improvement in self-reliance of the aged: Innovation and new guidelines for the future'. There is another report, which is to be published, on a workshop that we were involved in on 'Individual choice: European directions on the care of the elderly'. Smaller reports also have been published by organizations such as Eurolink Age, and these have been helped by financial contributions from the Commission.

I must say to the House in conclusion that I would share the disappointment that would be felt in certain parts of this House at the inability of the Commission to move faster and further in this particular area. It is not a lack of interest, nor a lack of desire on our part; it is the impossible position that one is sometimes placed in of having to decide between a number of priorities as to where precisely one can use the money best, and that is the decision we took.

Miss Quin (S). — The Commissioner's reply is, as he stated himself, rather disappointing, although I agree with him that much more money should be devoted to this sector. There is a great deal of talk about harmonization within the EEC, but one of the fields where there is certainly scope for widespread equalization upwards is that of pensions and related benefits, where pensions in the UK, for example, are much lower than in the Netherlands or Germany. Has the Commission looked at specific measures for improving the quality of life of pensioners, particularly with regard to related benefits, such as free travel facilities, which are available in certain parts of the EEC but are not widespread and where there is considerable scope for improvement?

Mr Richard. — I certainly agree that there is great scope for improvement, but may I also say this. In this particular field the Community is new as far as its work at European level is concerned. We have not had much experience in this field, perhaps inevitably so, and up till now it has been felt that this is pre-emi-

nently a case for individual Member States to pursue their own policies. There is to be an informal meeting of the Council of Social Security Ministers in Paris within the next month or so — I think at the beginning of April. In view of the fact that Parliament is obviously concerned about this matter, and I take the point the honourable lady makes about related benefits, I will undertake to the Parliament that at that informal meeting of the Council at least the Ministers are made aware of Parliament's interest in the matter and indeed of their anxiety that we should move faster in this particular field.

Having said that, however, I fear I have to say that I do not really see that I can go very much further down the road that I am being tempted to follow.

Mr Seligman (ED). — The Commissioner will be aware that the south coast of Britain is an area of high concentration of senior citizens because they move there for health purposes. So it is one that concerns me very much in West Sussex. He obviously must be aware that this is a problem which is going to grow and grow because the proportion of people over retiring age is going to rise as their health improves, as the bulge in the population moves from post-war bulge right through to senior citizenship. So I hope he will in fact prepare to intensify the attention given by the Commission to this growing problem of the quality of life for older people.

Mr Richard. — I am prepared to intensify it; I am anxious to intensify it; I am willing to intensify it; I am indeed waiting to intensify it, but I cannot do it without more money and more personnel. Therefore, with great respect to the Parliament, while we share their views and we share their desires, it is quite impossible on our present budget to do what Parliament wishes us to do. The best I can do is frankly to do what we have been trying to do in the past as best we can with the limited resources that we have got and the limited powers that we have got.

Mr van Aerssen (PPE). — (DE) Commissioner, I am personally very grateful that you have expressed your concern for this very important subject. While recognizing the difficulties involved in embarking on new areas at a time when funds are short and the Council has failed to appreciate the full importance of this policy, I would still like to ask you: Given the modest funds at your disposal, would you be prepared to develop a European Community programme to utilize the talents lying fallow in these people, some of whom have been prematurely retired under social schemes paid for by the Community — I am thinking of the steel and shipbuilding industries? Why should it not be possible for some of these members of the older generation, who are still very active and whose specialized knowledge is of great value, to work on special projects in developing countries, in small and

van Aerssen

medium-sized undertakings, in development centres, which, in view of the difficulty of coping with development problems in these countries, would enable people to achieve real fulfilment even later on in life?

Mr Richard. — I think that is an interesting suggestion. Would I be prepared to help in arranging a programme on this? I think it would be very difficult to do so. Would I be prepared to help in starting a debate along these lines and getting a discussion going among Member States and indeed among voluntary organizations and those most concerned? Yes, I think that this problem of people retiring either because they reach normal retirement age, or because they wish to retire early, or because there is no work for them anyway, is a problem which is going to be increasingly with us, and I really would hope that not only the institutions of the Community but those concerned with the subject in the Member States would give greater attention and appreciation to this point. So I take the point made by the honourable gentleman and I will consider it and see what we can do to launch the debate.

Mr Pשמazoglou (NI). — Would the Commissioner envisage within the framework of the directive for harmonization and the studies as presented by Mr Richard, the support of national plans designed to harmonize pensions within each national boundary? This could be a very significant problem in view of the large disparities in pensions between various national groups.

Mr Richard. — I think it would be very difficult indeed to envisage in the foreseeable future the harmonization of pensions and social security benefits throughout the Community. The variations, not only in the amounts that are provided, but also in the types of coverage that are provided in the Community at the moment are immense. I think, if I may say so to the House, we are at an early stage in our thinking in the development of policy in this particular area. I think we should take it fairly slowly and fairly carefully and I would not wish to kill the plant which, at the moment, is still at a very tender stage of development.

As for harmonizing pensions and related benefits within Member States, I think, with respect, this is an even more difficult problem than it is looking at it as between Member States. Again, it is essentially, I think, at the moment a matter of individual sovereignty and it is for individual governments to decide precisely how they want to allocate such monies as they do allocate in respect of social security and pensions benefits. I would be very reluctant, frankly, to get into the area where we would examine the Member States' social security policies and, so to speak, pass judgement on whether they were being conducted properly or not, and then via a Community subvention pay them to do what we thought was right which up to that date at any rate they had thought was wrong.

President. — Question No 57, by Mr Clinton (H-621/83):

In which of the data given in the EEC oil bulletin, 1982/1983, which compares the weekly consumer prices for gasoline in each Member State, in national currency and in dollars, can the Commission please comment on the wide degree of variance in gasoline prices between the Community average and the average Irish price (before taxes and duties)?

The average variance in 1982 and 1983 was 21 %. Maximum variance occurred in March of 1983 which was 32.5 %, equivalent to \$129.6 or around £IR 115. Can the Commission assist in any way in the review of this serious discrepancy in order to restore a fair and competitive market for gasoline for distributor and consumer alike?

Mr Davignon, Vice-President of the Commission. — (FR) Mr Clinton's question is a complicated one because quite clearly distributor prices of petroleum products — and this has always been the view of the Commission — must bear some relation to the cost of production and to the cost of distribution. Therefore, when looking at the differences in prices within the Community it is necessary to know the extent to which refining and distribution conditions are reflected in the prices. I say that this is a complicated business because, obviously, oil prices affect a whole range of products. For instance, the system used in Ireland tends to place a greater burden on petrol prices than on the prices of other petroleum products.

In the light of what I have just said, therefore, the situation in Ireland is not seen by the Commission as anything abnormal. So much for the question of costs. As for the dispute between the Commission and the Irish Government concerning the obligation imposed on Irish users of petroleum products to purchase their supplies from the White Gate refinery, that is not something that I can discuss now.

President. — As the author is not present, Question No 58 will be answered in writing.¹

Question No 59, by Mr Papaefstratiou, has been withdrawn.

Question No 60, by Mrs Squarcialupi (H-624/83):

In the resolution on the combating of drugs adopted by the European Parliament, the Commission was called on 'to study the operation and results of earlier programmes to promote the diversification or substitution of crops from which drugs are manufactured and to consider whether new initiatives could be made in conjunction with other countries and organizations such as the United Nations Fund for Drug Abuse Control, Unesco and the World Health Organization.

¹ See Annex I.

President

Can the Commission say whether it has followed up the European Parliament's suggestions, more especially in view of the dangers which might arise in some non-associated countries — including certain states in the so-called Golden Triangle, such as Thailand and Indonesia — following the agreement on manioc and the diversification of this crop which, in the absence of firm and precise Community intervention, might favour the cultivation of opium poppies?

Mr Richard, Member of the Commission. — The Commission has followed with interest the results of the various crop-substitution programmes intended to reduce opium poppy cultivation in the so-called Golden Triangle. However, the Community is not itself in a position to help finance such actions given both the quantitative and the qualitative restrictions on the funds available for development cooperation with the non-associated countries. Also the key difficulty in seeking to encourage such substitution is, I am afraid, the high profitability of opium poppy cultivation which makes it necessary to attack this problem from the demand side as well as from the supply side. To this end the Commission continues to give a priority to prevention of drug abuse through health education and other actions. I would refer to previous statements on this matter. The Commission is in close cooperation with the various international bodies in the field, especially the World Health Organization and the Council of Europe. Last September the Commission was host in Brussels to a seminar on the prevention and treatment of drug dependence jointly organized by the World Health Organization, the Belgian Government and the Commission.

As regards the specific questions of Community assistance for cassava diversification, can I assure the Parliament that there is no possibility whatsoever of such assistance encouraging opium poppy cultivation. In Thailand our cassava diversification assistance is directed to the north-eastern region of the country, an area which is well outside the Golden Triangle and which, I am informed, is not physically or climatically suitable for poppy cultivation.

As far as Indonesia is concerned, many thousands of kilometres indeed from the Golden Triangle, no cassava diversification projects are currently under consideration. In any case the physical and climatic conditions in Indonesia are again quite unsuitable for the cultivation of the opium poppy.

Mrs Squarzialupi (COM). — *(IT)* I think the Commissioner can answer both parts of my question. These concern what the Commission is doing to reduce the demand for drugs in our countries, and the difference of treatment between the traders and pushers on the one hand, and the peasants who cultivate opium, on the other.

Mr Richard. — With great respect to the honourable Member, I am asked a question about the supply of opium and the cultivation of the opium poppy. I am now asked a question about what the Commission is doing in order to cut down on the demand for heroin in our countries. This is a different question. It will require a very much longer answer. The Commission is quite prepared to answer it if the question is put down in proper form. But, with great respect, I do not really think that on the original question I can be expected now to produce all the details of the Commission's activities and programmes to this effect.

As far as the living standards of the Thai farmer are concerned, I must also say to the honourable lady that the Commission has no competence whatsoever in looking at the standard of living of the farmers of opium in Thailand.

Mr Andriessen, Member of the Commission. — *(NL)* Madam President, I should like to comment on the proceedings in this Assembly. As a rule, Question Time lasts one and a half hours, but it is now taking a little or a lot longer. So far it has been possible to arrange for the Members of the Commission responsible for the areas covered by questions to be present during the sittings concerned.

If the House intends to depart from the time set aside for Question Time, I would be obliged if the Commission could be informed so that it make the necessary arrangements.

President. — The Chair takes note of your observations.

Mr Gerokostopoulos (PPE) — *(GR)* I request that my question No 66, addressed to the Commission, should be timetabled for discussion at Parliament's next part-session.

President — Agreed.

I declare Question Time closed.

4. Action taken on the opinions of Parliament

President. — The next item is the communication from the Commission on action taken on the opinions and resolutions of the European Parliament. ¹

Mrs Boot (PPE). — *(NL)* Following a resolution adopted by Parliament on efforts by French farmers to obstruct free trade in cattle and meat, rather than an opinion delivered by Parliament on a matter on which it had been consulted, Commissioner Narjes told us that he shared Parliament's concern. The Commission had brought the problem to the attention of the Council of Agriculture Ministers and sent a telegram to the French Government.

¹ See Annex II.

Boot

This perennial problem is caused by French farmers who want to prevent the import of cattle and meat from other Community countries. The consequent losses are considerable. For example, they amount to 1m guilders in the case of imports of meat from the Netherlands and over a quarter of a million in the case of cattle, and these figures cover only indirect losses.

My question to the Commission is, having sent a telegram, is it also prepared to remind the French Government of its duty to ensure the free movement of goods and to refer to the need to act in accordance with Article 5 of the Treaty and, secondly, is the Commission prepared to take action against France pursuant to Article 30?

Mr Andriessen, Member of the Commission. — (NL) I am afraid that we again have the problem we have regularly faced in this Assembly when discussing this item of the agenda in recent months.

The agreement clearly reached between the Commission and Parliament was that this item of the agenda concerns the action taken by the Commission on opinions delivered by Parliament on which it had been formally consulted. Mrs Boot has herself said that her question does not come under this heading.

I must therefore ask that this question be considered out of order and that the Commission not be required to give an answer in this Assembly. The Commission is, of course, prepared to provide any information requested in the parliamentary committee.

Mr Hutton (ED). — I refer to Parliament's resolution on aid to Scotland after the recent blizzards and I wonder if the Commissioner could confirm to this House newspaper reports that the Commission has declined to accept Parliament's request for aid to help repair damage and loss in the recent blizzards in Scotland? The reports indicated that the request for aid was being transferred to the services of DG XVI to investigate the possibility of help from the European Regional Development Fund. May I respectfully point out to the Commissioner that the blizzards did not only blow in the assisted areas of Scotland. Large parts of the south of Scotland, the Borders and Dumfries and Galloway cannot benefit from this type of help. Does the Commissioner agree that this results in an unbalanced approach to damaged areas and puts at a further disadvantage those small local authorities who have to divert their own scarce resources into public work while other larger areas can call on the Community to come to their assistance?

Would the Commissioner agree that there is room for greater flexibility in the granting of help to cope with unexpectedly severe natural conditions?

Mr Andriessen. — (NL) The Commissioner will certainly not pretend to give an answer if he does not

have it to hand, which is true of this question, and in my view it far exceeds the limits of this communication. I am, of course, quite willing to forward the question raised by the honourable Member to the Commissioner responsible for the regional policy, but I am afraid that, owing both to my lack of information and to my conviction that the question should not have been put under this item of the agenda, I am unable to give an answer.

Mrs Maij-Weggen (PPE). — (NL) I should like to ask a question related to a debate we had during the last part-session on acid rain and a proposal recently put forward by the Commission in this connection. I hope that this question is in order. The point is that it has been agreed in the Committee on the Environment, Public Health and Consumer Protection that no action should be taken, that is to say, that no opinion will be delivered on this specific proposal. I should like to know from the Commission what chance it sees of this proposal being submitted to the Council of Ministers as a matter of urgency and how urgent this proposal is, because this might possibly persuade the Committee on the Environment to deliver a favourable opinion after all. I therefore hope that my question is in order.

Mr Narjes, Member of the Commission. — (DE) I am not quite sure whether I have understood the Member correctly. However, particularly in view of the recent Parliamentary debates on acid rain, the Commission takes the following view: firstly, we must reduce air pollution. One problem area is industrial plant, another the major industrial incinerators. We hope that the Council of Ministers of the Environment will accept our proposals on combating air pollution from industrial plant on 1 March and have requested that Parliament adopt the proposals on major industrial incinerators before the end of this legislative period, so that we avoid six months delay.

Secondly, there is the question of motor cars. We still intend to submit comprehensive proposals on 15 April, in which account will be taken of the work of the two ERGA groups — ERGA I, ERGA II — combining in one proposal both the problem of pollution generally and the question of the lead content of petrol.

Thirdly, we are developing a programme of urgent action to tighten up existing regulations on air pollution. We announced this after the Karlsruhe Colloquium and have presented appropriate measures to the Council of Ministers. We hope that the regulations can be tightened up before the end of the year. I am not sure, Mrs Maij-Weggen, whether my reply covers your question, but this is my view of the present position.

Mrs Maij-Weggen (PPE). — *(NL)* If I have understood the Commissioner, the Commission is doing its utmost to complete the second proposal before the elections, and I would appreciate it if he could confirm that this is so.

Mr Narjes. — *(DE)* Just to make myself clear, the second proposal has been sent to the Council and should have reached Parliament. We are hoping for a decision in April.

Mr Provan (ED). — I am rather disappointed at the lack of sympathy and the lack of urgency that the Commission has demonstrated this afternoon with regard to the question posed by my colleague, Mr Hutton. We had a unanimous vote in the Parliament last session in support of a resolution that he and I jointly promoted calling for the Commission to grant aid for some of the consequences that have developed as a result of the recent storms in Scotland. Can the Commissioner answer the straight question: Have they or have they not turned down the application from the UK Government for an assistance grant?

Mr Andriessen. — *(NL)* I should just like to make one comment. I object to the Commission being accused of a lack of sympathy for a proposal because, in deciding whether or not to answer a question, it believes it must abide by the agreement reached with Parliament. I must make it clear that these are two completely separate issues. I cannot answer the specific question put to me. I promised to investigate the matter further or to forward the question to the Commissioner responsible so that he might give an answer. I dispute in the strongest possible terms that this has anything to do with a lack of sympathy.

Mr Marck (PPE). — *(NL)* My question concerns the regulation on the role played by the ECU in the common agricultural policy. We adopted the resolution on this matter almost unanimously during the last part-session. It now emerges that the Council has not accepted the Commission's views in that it has limited the validity of the regulation to one year and has not adopted the ECU for the common agricultural policy. May I ask the Commission if this is just a chance occurrence, or are there other, more profound reasons for this rejection?

Mr Andriessen. — *(NL)* I believe that the decision to limit the measure referred to by the honourable Member to one year must be related to the fact that this is an innovation in the agricultural policy and that the Commission must therefore have every opportunity to revert to this point on a future occasion to bring about the permanent adoption of the ECU for the policy, as the honourable Member advocates.

Mr van Aerssen (PPE). — *(DE)* I am grateful to the Commissioner for pointing out once again that he

intends to urge that agreements between the Commission and Parliament be adhered to: it is our intention to do likewise. I would therefore like to ask Commissioner Andriessen, as the Commissioner responsible for institutional matters, the following question: At the Stuttgart Summit, the Council undertook, in the context of the Genscher-Colombo act, to submit at regular intervals a report on the state of European Union. If I am correct, the first report has been presented to Members quite properly via the Commission. I assume that the European Parliament, both as now constituted and following the elections on 17 June, will wish to deliver an opinion on this report. I therefore ask whether the Commission is also prepared to give an opinion on these formal Council reports, thereby introducing a procedure of dialogue with the European Parliament, to promote European Union, as has often been discussed with the Commission?

Mr Andriessen. — *(NL)* I am grateful to the honourable Member for the respect he shows for the agreements that have been reached between the Commission and Parliament. The question he has put seems to me to conflict somewhat with this respect, but in the framework and interests of the institutional dialogue between the Commission and Parliament and certainly in the light of the important decisions taken yesterday in this Assembly, I am quite prepared to forward his suggestion with a positive opinion to the Commission.

President. — I thank the Commission for its communication.

I would point out to the Assembly that, since Commissioner Tugendhat is attending a meeting of the Committee on Budgets, the two oral questions to the Commission regarding the Community budget, which is the next item on the agenda, will not be debated until 6 p.m.

(The sitting was suspended at 5.30 p.m. and resumed at 6 p.m.)

IN THE CHAIR: MR ESTGEN

Vice-President

5. EAGGF-Budget 1984

President. — The next item is the joint debate on — the oral question with debate by Mr De La Malène and Mr Lalor, on behalf of the Group of European Progressive Democrats, to the Commission (Doc. 1-1310/83)

Subject: the inadequate level of agricultural appropriations allocated to the EAGGF in the budget for 1984

The Group of European Progressive Democrats,

- A. having regard to the statement of the President of the Commission of 9 January 1984 to the effect that the deficit of the agricultural budget for 1984 would be 1 600 million ECUs,
 - B. having regard to the Commission's admission that there can be no agricultural price review for the 1984/85 marketing year without prior reform of the common agricultural policy,
 - C. having regard to the statements by the Commission and the Council during the budgetary procedure to the effect that the 1984 budget would be workable, despite certain problems, and would provide farmers with the incomes they are entitled to expect,
 - D. having regard to the attitude of the Commission, which has deliberately under-estimated agricultural expenditure, in the present state of the regulations, in order to ensure that the UK refund is paid,
 - E. having regard to the Commission's intention to use the budget adopted on 15 December 1983 as a means of exerting pressure on the Member States in order to force through immediate reform of the common agricultural policy,
- asks the Commission to state the real budgetary implications of agricultural expenditure for 1984.
- the oral question with debate by Mr Lange, on behalf of the Committee on Budgets to the Commission (Doc. 1-1419/83)
- Subject: Parliament's proposals for corrections to the 1984 budget
- In paragraph 8 of its resolution of 15 December 1983 the European Parliament, on the recommendation of the Committee on Budgets, called on the Commission to submit proposals for corrections to the 1984 budget by 15 January 1984. Why has the Commission not complied with this request?
 - Does the Commission believe that it will be able to keep to its budgetary estimates in the agricultural sector in 1984 without jeopardizing the financing of the other Community policies?

Mr Kaspereit (DEP). — (FR) The Group of European Progressive Democrats considers it imperative for the Commission to explain to the House exactly what were the circumstances that led to the budget that we approved at the end of last year being put forward and that are making it even more difficult this year than in previous years to fix farm prices.

Indeed, given that Parliament had approved the 1984 budget leaving the appropriations for the EAGGF as they stood, it is with astonishment that we heard the Commission's recent statements.

On 9 January, Mr Thorn, President of the Commission, was quoted by Agence Europe as having said to the Council: 'Unless changes are made in the common agricultural policy, the cost of agriculture will exceed the available appropriations by some 10%. The only solution is to adopt the proposed reforms without delay. It is illusory to believe that this can be achieved solely by cutting Community overheads'. And, apropos of farm prices, the Commission President went on to say: 'The Commission is duty-bound to say that it will not be able to ratify any agreement that would be incompatible with the budgetary situation.' At the very same meeting the Commissioner for agriculture went so far as to add: 'Unless certain tough and painful decisions are taken very soon, the common agricultural policy will grind to a halt for lack of resources. With each passing week the threat of bankruptcy looms larger. Even with everything working in our favour, one cannot see room for any increase in farm prices'.

Well, Mr President, nothing of the sort was ever intimated either by the Commission or by the Council at the time of the budget debate between October and December 1983, or by Commissioner Tugendhat, who did after all attend every single meeting of the Committee on Budgets throughout this whole period. On the contrary, in fact, Parliament was constantly hearing expressions of reassurance.

Indeed, during the conciliation procedure prior to the second reading of the budget, the Council, and the French Delegation in particular, replying to specific questions put by certain members of the parliamentary delegation, maintained that, although the 1984 budget would be a difficult one, if tight control was kept on agricultural spending it should nevertheless be viable and would guarantee farmers the incomes they have a right to expect.

But that is not all. If one takes a closer look at the explanatory memorandum accompanying the Council's draft budget one finds that the Council decided to place in Chapter 100 a total of 250 million ECU, which as you know was subsequently increased to 350 million ECU, being set against the allocation of 16 500 million ECU, and that without taking into account whatever might have been decided at Stuttgart.

Now, the Stuttgart Council took due note of the Commission's statement to the effect that the proposed 16 500 million represented an accurate forecast of total needs, bearing in mind existing regulations, and this is moreover reiterated in the explanatory memorandum accompanying the Commission's preliminary draft budget.

Under the circumstances it is clear that the budget proposed to Parliament bore no relation to the reality of the situation. Especially as the Commission was saying unofficially that the overall figure for the EAGGF budget was a political figure. But what, in this case, is meant by a political figure?

Kaspereit

The fact of the matter is that we were not told the truth. The fact of the matter is, too, that the Commission deliberately underestimated agricultural expenditure. Why? Firstly — in all probability — in order to ensure that the United Kingdom got its financial compensation, and secondly — again in all probability — to persuade all concerned of the urgency of carrying out reforms to the common agricultural policy in accordance with its own proposals.

In its budget estimates the Commission was anticipating Athens, that is to say, anticipating the timing of the reform of the CAP and also its contents. It was taking for granted what was still no more than a proposal on its part. Parliament adopted this budget and it also ruled out any possibility of a rejection in order to prevent a new crisis following on the heels of the Athens setback and to preserve the *acquis communautaire*.

Well, the crisis that Parliament had sought to forestall is now upon us.

EAGGF payments for the month of January 1984, totalling 1 900 million ECU, were used to cover expenditure incurred in December 1983. What a strange way of observing the budget rules, Mr President — and that is certainly a matter for us to look into again some day.

We now have before us a set of Commission proposals which are going to lower farmers' incomes still further — and bear in mind that they already fell by 6.3 % in 1983.

In other words, the Commission neglected to tell Parliament that the Athens failure called into question its agricultural budget estimates. It allowed a budget to be approved knowing that it could not be implemented without constraints, and it is now using this situation to force Parliament and the Council to accept not only its price proposals but also the measures it is linking with them. Thus we now have the Commission unctuously telling us that the time has come for agriculture to make sacrifices and that the choice now lies between bankruptcy and adopting the Commission's proposals.

Sacrifice is certainly the word! The common agricultural policy is being sacrificed for the sake of the budget.

If such was the situation, the facts should have been clearly presented to Parliament, which would then have had everything it needed with which to form its own assessment when the time came to vote on the budget. Certainly we appreciate the constraints on the budget. All the same, we do not accept that the only way out of the situation is by reforming the common agricultural policy and by a virtual freeze on farm prices, which is contrary to the very principles of Article 39 of the Treaty, which places an obligation on us to ensure a fair standard of living for the farming community.

The point is that the Commission ought not to have based its budget estimates on the assumption that the common agricultural policy would be reformed, which was not to be taken for granted.

Mr President, we cannot disguise our concern, but we look forward to hearing the Commission's detailed explanation.

Mr Lange (S), Chairman of the Committee on Budgets. — (DE) Mr President, ladies and gentlemen! During the final phase of the debate on the 1984 budget, it became clear that neither the revenue nor the expenditure shown corresponded to economic reality. We all agreed that these figures should be corrected as quickly as possible. At the conclusion of the debate, Parliament's motion for a resolution requested the Commission to submit proposals by 15 January, which would enable the necessary adjustments to be made to the budget. The Commission did not do this. It did not even inform Parliament that it was unwilling or unable or whatever to do this. I believe this has done great harm to relations between the two institutions.

The Commission is again doing its utmost to make a bad impression. And the Treaty provides a remedy for this: *a vote of no confidence!* A Commission that thinks it can get away with not explaining why a certain request was not complied with ...

I am waiting for a moment until the Commissioner is ready to listen again.

Commissioner, please listen to me!

(Applause)

I take a very grave view of the fact that the Commission simply ignored this request without comment and was pointing out that this gives a bad impression. The Treaty provides for a vote of no confidence — but we do not want to let things go that far! The Commission must find a different way of handling special requests from Parliament. Why did you not let Parliament know one way or the other on 15 January what you intended to do. After all, this would have been no more than common courtesy!

Mr Kaspereit mentioned a figure of 16 500 million ECU, but drew a different conclusion to mine. 16 500 million ECU for agriculture. As we have said before, the question is whether in future we wish to be, or remain, or become more than an agricultural community and whether the Commission can manage with this 16 500 million ECU for the 1984 financial year and for the three-quarters of the 1984/1985 marketing year — and without endangering other policies, because it is important that the funds for other policies are not touched. The Commission — and the Council — will have to think of some other way of dealing with the long overdue changes needed in agricultural policy, particularly the unconditional

Lange

marketing guarantee for a whole range of products which time and again turn out to be structural surpluses.

So — Commission — firstly: Why did you not report to us on 15 January? Secondly: Can you service the common agricultural policy with these 16 500 million ECU, without endangering other policies?

(Applause)

Mr Tugendhat, Vice-President of the Commission. — Mr President, I will endeavour to answer one of the questions which has been raised and then my colleague, Mr Dalsager, will endeavour to answer the remaining part of the question that has been raised.

May I cast the mind of the House back to 15 December 1983, immediately following the adoption by this House of the resolution to which Mr Lange's question refers. On that occasion, I made the following statement on the Commission's behalf, and honourable Members will be able to check the words that I am about to utter against the official record. I said:

The Commission will take measures in the next few weeks on its own responsibility and make, if necessary, legislative proposals to the Council to ensure the proper execution of the 1984 budget. If these decisions require changes in the budgetary appropriations for 1984, proposals will be made using the appropriate budgetary instruments.

That was the statement I made in the plenary sitting in response to questions which were put to me at that time.

That statement was made in order that there should be no misunderstandings over the Commission's intentions. I can confirm that the Commission has, in the event, taken all the measures to which that statement referred. At the end of 1983, the Commission instituted a number of management changes designed to achieve economies in areas under its own competence in the common agricultural policy, and in early January we brought forward a set of very prudent agricultural price proposals. My colleague, Mr Dalsager, presented these proposals to Parliament on 18 January 1984. He will also be informing Parliament, in response to the question from Mr de la Malène and Mr Lalor, of the conditions under which the 16 500 million ECU envelope for EAGGF (Guarantee) would suffice.

I can only repeat that as far as EAGGF (Guarantee) appropriations are concerned, the present indications are that we shall certainly need the full 16 500 million ECU allocated in the budget. If the Council takes all the necessary decisions in time and if the conjunctural situation develops satisfactorily, the Commission anticipates being able to manage the common agricultural policy within this figure, or one very close to it. But these are, of course, very big 'ifs', and the House will be aware of the difficulties which the Council is facing in considering our proposals. I hope that Parlia-

ment's own resolution this year on our agricultural price proposals will provide a clear support for the prudent and realistic approach which the Commission has taken. If, of course, decisions are not taken by the Council in time in the agricultural field, then we shall face critical problems. The trend of payments for EAGGF advances this year suggests that without fundamental decisions on the reform of the common agricultural policy, expenditure will continue to rise. For January and February, the Commission has paid 3 350 million ECU in advances, which is 600 million ECU above the monthly rate, which would correspond to an expenditure for the whole year of 16 500 million ECU. For March, Member States have presented requests for 1 700 million ECU, part of which the Commission is still considering. The consequences of a continuation of expenditure at this sort of level would be alarming, but the Commission can, and must, only proceed on the assumption that the proposals which we have made for the reform of the common agricultural policy in the general Community interest will be adopted. It would be irresponsible of us at this early stage in the year to present budgetary proposals in the agricultural field, whether in the form of transfers or in the form of a rectifying budget, which suggested that we had lost confidence in our own proposals.

If the Council fails to take the necessary decisions in time then the Council will have the responsibility for the budgetary crisis which it will have provoked.

The other element of uncertainty over the 1984 budget as over any Community budget lies, in own resources. In any budget year we are obliged to rectify our forecasts of own resources in order to take account of the adjustments necessary in the previous year's VAT basis of assessment and the actual revenues which accrue from customs duties and agricultural levies.

As regards the VAT, it seems clear that the rectification of the basis of assessment of 1983 will lead to a significant total downward adjustment, the figures of which will not be precisely known before 1 August this year. This is likely, however, to be offset to a large extent by the positive budgetary balance at the end of 1983. The final result here will be known at the beginning of April.

As regards customs duties and agricultural levies the picture is inevitably more uncertain. As the House will know, these are volatile forms of revenue in that they accrue as a result of decisions taken not primarily in order to obtain resources but in order to manage the Community's common commercial policy and its agricultural markets. The first indications of the likely pattern of world trade this year suggest that actual receipts from the customs levies might well be close to the budget estimates. The Commission is in regular contact with the administrations of the Member States who collect customs duties on the Community's behalf in order to monitor developments.

Tugendhat

For the agricultural levies, by contrast, the current shift towards consumption of Community produced foodstuffs as a result of the relative fall in Community cereals prices seems likely to lead to a corresponding loss of revenue from cereal imports. It is impossible at this early stage of the year to offer any new forecast more reliable than the budget figures.

For all these reasons, Mr President, the Commission does not consider that at this stage in the budgetary exercise, the presentation of a rectifying budget could be justified. The appreciation of whether and when to take the initiative in making a budgetary proposal is one that was given quite specifically under the Treaty to the Commission itself. Moreover, a rectifying budget is — as Mr Lange well knows and as he has pointed out many times in the past in different budgetary exercises — a very heavy budgetary instrument which should only be employed in circumstances which fully justify its use. I have ringing in my ears the exhortations that this House has issued to us in previous years on that point. This means that it must be based on changes in expenditure or revenue forecasts which have a reasonable degree of confidence and reliability. At present I have to say that the Commission does not feel that it possesses the information which could justify presenting any such revised forecasts to the Community's budget authority.

That said, I can assure the House that the Commission will keep Parliament fully informed of the trends during the year both in expenditure, particularly agricultural expenditure, and revenue. The Commission has set in motion special internal arrangements for the monitoring of both agricultural and non-agricultural expenditure and of own-resource receipts in order to achieve these objectives.

If, particularly in the light of the conclusions of the European Council in Brussels in March, the Commission concludes that the budget for 1984 cannot be executed in the form in which it was adopted, we shall present such rectifications to the budget authority as we consider justified in the circumstances, bearing in mind the totality of the Community's obligations. It is in the light of our intentions to keep Parliament and Council fully informed, which they have every right I hasten to add to demand, that I have provided the information contained in this speech and, of course, copies of the speech are available to Members who wish it. And, of course, it is in the same spirit that my colleague Mr Dalsager will provide additional information now.

I would only add, in conclusion, that I think that all the experience of recent years goes to show that one ought not to jump to conclusions or rush into decisions when developments are still at an early stage and when one cannot operate on the basis of absolute confidence in dealing with the figures at one's disposal. But we will put all the figures that are at our disposal to Parliament and Council as and when we

are able to do so and that is the way in which Mr Dalsager and I are behaving tonight.

Mr Dalsager, Member of the Commission. — (DA) Mr President, as you know, the budget for 1984 carries appropriations for the EAGGF guarantee section of 16 500 million ECU, of which 350 million ECU are entered in Chapter 100. When it presented the proposal and on the occasion of the budget debate, the Commission stated that it would endeavour to ensure that these appropriations were sufficient to meet the needs. As the Community's own resources are, for all practical purposes, exhausted, the VAT rate for 1984 having been set at 0.997 %, there is no real margin left for a supplementary budget on the basis of existing forecasts for the Community's own resources. The Commission's position is therefore in conformity with the financial situation affecting the Community budget. Latest estimates indicate that, if the rate of agricultural expenditure is sustained throughout 1984, there will be a need for considerable additional resources. Such additional funds cannot be raised without bringing the Community's common financing system into jeopardy, but budgetary considerations are not the only ones carrying weight.

In its memorandum on the common agricultural policy, the Commission pointed out that, irrespective of budgetary aspects, it is necessary to adjust this policy in order to bring production more into line with the market conditions. The Commission has presented to the Council a number of proposals, being partly a follow-up to the communication on the common agricultural policy of July 1983, COM(83) 500, and partly the proposals for prices and associated measures of January 1984, COM(84) 20. A crucial precondition for ensuring that costs in 1984 are kept within the existing budgetary constraints is that the Council adopt these proposals in March, so that the measures can be put into effect at the start of the market year, which begins on 1 April for dairy products and beef. Any delay will have negative consequences in the form of an increase in agricultural expenditure. I would add that it is also vital that no unfavourable changes occur in the economic situation, for example as a result of a fall in world market prices, a sharp drop in the value of the dollar or a harvest significantly higher than average.

The Commission will be at pains to keep management of the markets under very tight control. We have already taken certain decisions on savings in administration. We have in addition introduced an internal system designed to tighten up control of the use of appropriations and to ensure that the markets are managed more efficiently. I would draw Parliament's attention to Volume 2 of the price proposals for 1984-85, which deals with the effect of the Commission's proposals on the budget. This Commission document, dated 25 January 1984, has been made available to Parliament.

Dalsager

I will now comment on the declaration of 9 January 1984 by the President of the Commission, Mr Thorn, since this declaration has been raised by Mr de la Malène and Mr Lalor. The statement must be seen in the context of the estimate of the trend in agricultural expenditure available at the time. Mr Thorn dealt with the question earlier today in his answer to Parliament. His remarks were based on two hypotheses.

The first was that the butter stocks should be allowed to increase, which at least in the current year would be cheaper than to dispose of the surpluses. Under this hypothesis, we anticipated a budget overshoot of 900 million ECU, and this estimate has now been revised to 1 067 million ECU, despite the economy measures we have applied.

The second hypothesis was to keep butter stocks constant, i.e. to increase the sales effort in order to dispose of production. Under this hypothesis, we anticipated an overshoot on the budget of about 1 700 million ECU, corresponding to an overshoot of about 10 % in the EAGGF guarantee section. Mr Thorn's remarks in January and mine today emphasize the need for the Council to take the necessary decisions on the basis of the Commission's proposals.

Mr President, if we are in difficulties in the budgetary field, it is due in the first instance to the fact that no-one listened to the Commission at the right time, when we warned of the situation we were about to move into. Ever since 1979, the Commission has been warning Parliament and the Council of the kind of situation we foresaw. And ever since 1979, Parliament and the Council of Ministers have refused to heed the Commission's warnings; on the contrary, they have in most cases increased the expenditure which the Commission proposed for the agricultural arrangements. My old friend, Mr Lange, knows very well that Parliament consists of two factions: one which approves increased expenditure, and another faction which warns against increased expenditure. Regrettably, we now have to accept that the faction of Parliament which favoured increased expenditure won the day. We are thus in a situation which will become more and more difficult week by week, the longer the crucial decisions needed are postponed.

(Applause)

Mr Woltjer (S). — *(NL)* As rapporteur, I should also like to say something about agricultural prices. I would urge this Assembly not to turn this into a general debate on agriculture. I have just seen Mr de la Malène's resolution, and I have already found a number of points in it which I do not think in any way have a place in this debate. In the Committee on Agriculture we are trying very hard to adopt a joint position, and I would not consider it right for the Committee to have to submit to a position hastily adopted by this Parliament. In short, I appeal to Parliament not to regard this debate as an opportunity to

anticipate the discussions we shall be having on agricultural prices in the first week of March.

The second point I should like to raise here — and I am now speaking as a member of the Socialist Group — is that I too am seriously concerned about the implementation of this budget. I have recently obtained a considerable amount of information from various Member States, from the Ministries, containing all kinds of figures that are being circulated in those countries. The search is on for scope within the agricultural budget for action to alleviate problems agriculture is likely to face. In this respect, I must say that the Commission is certainly not completely innocent of causing this confusion. I would also point out, Mr President, that proposals are again flying back and forth between the capitals of the Member States, especially on agriculture. I would remind the Commission that it is hardly involved even though in early January it explicitly stated that it would again be pulling the strings. And at this moment all kinds of proposals are as usual flying in all directions, but I do not see any proposals from the Commission. It has said just one thing: we stand by our own proposals. But if I follow up these proposals and if I have understood the discussions in the Member States correctly, I have the feeling that at the moment the Commission is again on the sidelines. I would find that very regrettable, because I do not think this is the right way to help Europe overcome the problems.

Mr President, another point I should like to raise is the question of what would happen if we were unable to stay within this budget of 16 500 million but I very much hope that this will not be the case. I feel that Members should be aware of this, and we shall be reverting to it during the debate on farm prices, but we are not now discussing the effects on farm incomes but the effects as they concern the EEC and the continued existence of this agricultural policy, and that is why I want to see this question discussed here. Ignoring this budget, I believe, will certainly mean renationalization of the agricultural policy, possibly with national contributions, but that will mean going from bad to worse. I will therefore do everything I can in this context to ensure that we stay within this limit of 16 500 million and that we keep the common agricultural policy going with this amount.

Mr President, we face many problems. By suspending payments in 1983, the Commission carried about 410 million ECU over from 1983 to 1984. That alone is weighing on this budget, but there is a great deal more about which I am seriously concerned, stocks in particular. You carry a great deal more over if you allow your stocks to grow in one year and then carry them over to the next. It actually means that you are transferring an enormous amount from one financial year to another. But I must point out that this has not only seriously aggravated the problems for 1984 but also again jeopardized the agricultural policy itself, since the pressure these stocks exert on world market

Woltjer

prices grows as a result. In short, we are increasingly in danger of getting into a vicious circle, and in this respect I am rather disappointed with Mr Dalsager's statement and his reference to two scenarios and even to growth. I can tell you that, if this happens, if the Member States do not have a budget by 1 April, 1984 will indeed be a year of disaster for farmers too, which is exactly what we must prevent.

The last point I wish to make, Mr President, concerns the timing of the decisions. In its proposals and in Part 2 of its document, the Commission assumes that these decisions will be taken on 1 April. I consider it extremely important that this should be so. We Members of Parliament — and, as I have already said, I am rapporteur on the prices — will do everything we can to ensure that these decisions are taken on time and to speed them up. We have set aside a very brief period for this debate and in fact for delivering our opinion in the first week of March. And I think there is another important reason for taking these decisions quickly: the farmers must at last know where they stand. We do not need gentle remedies at the moment but people who can put this agricultural policy on the right track, and I sometimes wonder whether the Commission is sufficiently capable in this respect.

I will conclude with that, Mr President. I do not think that the Commission will be getting the top marks it has asked for, because all I hear from Mr Dalsager is: 'We were on time, but you, the European Parliament, delayed matters and the Council cannot come to any kind of decision.' In the last four years the Commission has pursued a slipshod policy, coming forward with one proposal one moment and with another the next, and that has not been conducive to really good management of the agricultural policy. That is not, of course, all I have to criticize. I believe that we must do our utmost to ensure progress is made and also that we of this Parliament must be fully aware that we cannot exceed the limit to our own resources, the 1 % of VAT. This is the first time we have been confronted with this question. I am not saying that the agricultural policy must now be governed by strictly budgetary provisions but that these are the limits and we must see to it that any other changes are made within them. That is the position which, in my view, Parliament must adopt and which I shall also be trying to defend.

Mr Notenboom (PPE). — *(NL)* I should like to thank the two Commissioners for their answers and now concentrate on what Commissioner Tugendhat said. I shall also be very brief and certainly not use up the time my group has allocated to me, Mr President.

Mr Tugendhat said: 'Take another look at what I said in December.' That is right, of course — I know it is without checking — because if he says so, that is the way it is. We accept that. But, Mr Commissioner, we were, of course, facing an exceptional situation when

we adopted this budget. Some Members of Parliament did not think that it should have been adopted. You asked us to do so for the sake of the continuity of European expenditure and revenue, the continuity of the European policy. That was a consideration here in this Parliament. We knew that this budget could not be balanced. And yet a large majority of the House felt that it must be adopted. So we did as you asked, as the Council asked, but in fact we did something that a good budget man or woman must not do: adopt a budget when you know in advance that it cannot be balanced. But this consideration resulted in its adoption, to which we attached, as it were, a kind of condition. The word 'condition' is rather strong, and the paragraph in which Parliament asked for changes to be proposed on 15 January to adjust this budget as far as possible to the facts was perhaps not so much a condition as a passage in which we said we were counting on the Commission and so giving it the support needed for the adoption of the budget. It is rather difficult to express this in words. It is therefore a pity, difficult though all this may be — and I fully appreciate the difficulties — that you should just wait until these questions are raised. That is not really very 'gentlemanlike', in my personal opinion. I deliberately use this English word, which is so fitting in your case. Parliament was counting on a decision in mid-January. If you had then said — and you gave a clear indication of doing so — that you needed to be much more certain before proposing a rectifying budget, it would have been more fitting to say to Parliament that the situation is such and such and for this and that reason we cannot do this yet, but we will do it at such and such a time, or whatever it might be. I find it a great pity that you should have waited until Parliament put a question to the Commission, considering that Parliament took a very great step in December by adopting the budget, knowing that it could in no way be balanced. That was a tremendous act on our part, and one about which I personally had to think a very long time, of course. It would then have been all the more fitting if you had complied with the paragraph in the resolution and at least come to us of your own accord, because that is the problem we are now facing. That, then, is my criticism.

I fully appreciate the problems with which the Financial Commissioner now has to contend. He has given an indication of the pattern of revenue, to the extent that that is possible at the moment. He and his colleague have given an indication of the pattern of compulsory expenditure on agriculture, but I have not yet heard — and this my question, Mr Commissioner — what the situation will now be as regards non-compulsory expenditure. I may have missed it, but I do not believe I heard anything about this. What pattern is at present being followed in the implementation of the budget as regards non-compulsory expenditure, what was the pattern in January and February, and what are the plans for March? Because you have

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already planned what to do with the national bills in March, you have enough money to pay them in the various Member States. I must therefore ask, what was the pattern in the first two months, and what pattern do you expect to be followed as regards non-compulsory expenditure in March? I feel we really need this information for this debate if we are to form an opinion on what we are facing at the moment. I fully appreciate, Mr Commissioner, that it is difficult to say now that these are the correct figures, the ones given in December were unfortunately incorrect. But, once again, it would have been better if the Commission had come to Parliament of its own accord, because Parliament gave you so much support in December.

Mr Provan (ED). — Mr President, the de la Malène motion for a resolution claims that there is inadequate funding for this year. In the budget negotiations, however, this Parliament deducted around 300 million ECU from the agricultural budget lines and placed them in Chapter 100. At that time Parliament felt that we had to have more budgetary control over agriculture. This resolution is now flying in the face of that resolve. We cannot be two-faced; we must stick to our principles.

Farm price fixing agreement in the Council this year could be further away than usual. That could be in the farmers' interest with price cuts in many products. But it will not be in the interests of the Community's budget. Outside influences mean that our expenditure on agriculture is highly volatile, as we are so heavily dependent on exporting our surpluses. There are various reasons for this — firstly, the value of the dollar; secondly, the price and tonnages of other suppliers' exports; and, of course, thirdly, world market demand and economic strength. All three individually or, heaven forbid, a combination of them would wreak havoc with our agricultural expenditure. These matters are not in our control, and therefore we must not gamble with taxpayers' hard-earned money, especially when there are better ways of maintaining a successful and profitable agricultural industry.

I now turn to paragraph 5 of the de la Malène resolution and to the remarks made by Mr Clinton this morning regarding guarantee funds paid to the United Kingdom milk sector and the Facini fabrication alleging illegal operation. What is the legal position? The UK joined the Community in 1973 and had a five-year transition period. In 1978/79 we were operating our milk sector under regulations that were approved by the Commission and by the Council. I must admit that they may have been different from the regulations operating in other Member States, but they were approved. Now what is the Community interest? Let there be no doubt in this House that we, if we were to operate our milk sector on any other system would be consuming less of the products and

adding more to the surpluses, and at great cost to the Community. The Commission and Council would not have agreed to the continuation of these regulations had it not been in the Community's interests.

If the Commission had agreed with Facini, they would have gone against the advice of their own legal advisers and taken action against one Member State only, which was operating under agreed regulations. At the same time, they would have been ignoring many other distortions of common policy in other Member States. Who can hold their hand on their heart and swear that they have not flouted Community regulations? De la Malène expresses astonishment at the Commission's decision concerning milk in the UK. When the Commission made this decision, it also made a decision on wine concerning France where considerable budget sums were also involved. Is De la Malène's astonishment not rather selective? What is his real motive?

Mr Delatte (L). — (*FR*) Mr President, the question put down by Mr de la Malène and presented earlier by Mr Kaspereit does, I suppose, anticipate the debate we are due to have next month on the fixing of farm prices, and I apologize to Mr Woltjer for that, but I do believe that the one or two remarks that I propose to make could help him in preparing his report on prices which we shall be discussing next week in the Committee on Agriculture.

There is no denying the fact that the statements that have been made about budgetary overspending in agriculture prove conclusively that the estimates were inadequate and, at all events, that they were badly worked out.

And so we find ourselves once more in the position, before debating farm prices, of having to start with a discussion of budgetary problems. But there is something very different about this year, compared to previous years; because this year the budget limit is showing 'full'. We have reached the ceiling of estimated expenditure and it is even being suggested that, despite the virtual freeze on farm prices for 1984, the EAGGF appropriations will be inadequate.

This time we find ourselves with our backs to the wall, yet knowing all the time that our farmers need to have a decent income. The fact is that we need to look again at the way the Community operates the common agricultural policy, to look again at a system which, over the years, has found endless ways and means of acceding to the demands of Member States seeking to deal with certain specific problems, as a rule conjunctural problems to do with agriculture.

On the other hand, let us not lose sight of the fact that, overall, the results of the common agricultural policy have been positive for the Community as regards its development and as regards improving the

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incomes and living standards of farmers, and positive also for the European economy as a whole, if one takes into account all the various activities generated by the development of agriculture. Not to mention the benefits to the consumer of food security and guaranteed prices, which have enabled him to reduce substantially the proportion of his income that he needs to spend on food.

But we are now experiencing the problem of food surpluses which are becoming increasingly difficult and problematical to cope with, as Commissioner Dalsager said earlier. This morning the Commission President made the point that we have products that we are unable to sell. That is true of some of them. He went on to say that we need to come to grips with the problem of overproduction, and that we must come to grips with the problem of agricultural spending. There is no arguing with that, but how is it that we have so far totally failed to take any decision on reforming the common agricultural policy? Parliament itself adopted a report on this subject. Why is it that, summit after summit, we keep failing to come to an agreement? What we have here is a fundamental problem. The mechanisms introduced over the years are so varied and complicated that the important thing for us to do now would seem to be to go back to the fundamental principles of the common agricultural policy and pinpoint what really lies at the root of our difficulties in order that we can find the remedies that are so desperately needed.

The Community has these costly surpluses, and yet it is — strangely and paradoxically — the world's major importer of agri-foodstuffs. Is it really so necessary to import raw materials which generate these surpluses that we do not know what to do with? Is it reasonable to continue giving preferential treatment to imports because of some international agreements signed at a time when the Community was short of all agri-foods?

The answer is quite simple: we have no valid reason for buying in products for which we have no need. This problem would not arise if members of the Community observed the principle of Community preference and financial solidarity. The Community has reached a critical point in its development, and it was with great satisfaction that I heard Mr Thorn this morning stating his belief that there is a great potential to be developed in agriculture, and that it is vital for agriculture to be integrated in the economy as a whole. For my part, I fully endorse these statements. But I should like to add that major savings can be made if a rational and common-sense policy is applied to agriculture.

The Court of Auditors' report of 24 October 1983 on this matter is very clear and revealing. The only way a valid solution will ever be found is by each Member State accepting the common rule. That is certainly a highly pertinent theme to expand upon in the forth-

coming election campaign. The Council, for its part, must have the will to grapple vigorously and effectively with the true causes of our difficulty. This is not just a matter of the budget, but a matter of common sense and also of political courage.

Mr Davern (DEP). — Mr President, it amuses me to imagine the picture of Mr Provan with his hand over his heart and with the other hand waving New Zealand butter in to add to the surplus we already have. That is the kind of conduct that Mr Provan and some of his colleagues have always given us in Community matters.

We are aware of the fact that it is necessary to introduce improvements in the functioning of the CAP and to this end we have constantly made positive proposals to the Commission and Council. In view of the Commission's price proposals for 1984-85, our group finds it unacceptable that farm products, whether over or under-produced, should be subjected to restrictions which would diminish the level of financial support from EAGGF and therefore lower farm incomes. The Commission's proposals provide an average of only 0.8% of the agricultural prices for 1984-85. This insufficient increase is all the more disastrous, in view of the fact that farm incomes have already been on a steady decline since 1979.

In drawing up its annual budget, it appears that the Commission, on the one hand, deliberately underestimated the expenses — I believe, to enable the compensation to be paid to the UK. On the other hand, it attempted to force through an urgent reform of the CAP according to its own propositions. What the Commission proposes means that there will be a shortfall of 1 150 million Irish pounds in this year's budget, and this is just keeping the CAP functioning and allowing our competitors to wreak havoc on the markets outside the Community where there seems to be more concern by the Commission than there is in defence of European producers.

This situation is made far more serious by the fact that the Commission is only concerned with the immediate effects of the budget, and has not taken into account the future direction of the CAP. This group is outraged by the deception of Parliament by the Commission. This group feels that Parliament was presented with a false budget which did not reveal the full extent of the situation. Parliament for its own part was given assurances that farm incomes would not be cut this year, and it was on the strength of this assurance that Parliament decided to pass the draft budget. Only later were the true facts revealed when Mr Gaston Thorn announced to the Council on 9 January that without adaptation of the CAP, the cost of agriculture would exceed the available appropriations by about 10% — a real shortfall of £ IR 1 150 million. As this was not mentioned during the budgetary debate, it has now become apparent that the crisis

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is only dawning on most of us at this stage because of the earlier deception. We have insisted that the Commission should do everything possible to present proposals which would ensure normal functioning of the CAP, by proposing the necessary increase in farm incomes.

We must ensure that all Community institutions meet their obligations in this respect, in accordance with Article 39 of the Treaty of Rome on the implementation of the CAP.

Mr Dalsager, could I say to you that you have destroyed the confidence of farming in my country over a period of time. Indeed, if this continues you will have destroyed the way of life not merely of individuals but of a whole region.

President. — I have received from Mr de la Malène, on behalf of the Group of European Progressive Democrats, a motion for a resolution with a request for an early vote, to wind up the debate on his oral question (Doc. 1-1421/83).

The vote on the request for an early vote will be held tomorrow at the end of the debate.

I will now suspend the debate. It will resume tomorrow at 3 p.m.

*(The sitting closed at 7.05 p.m.)*¹

¹ Agenda for next sitting: See Minutes

ANNEX I

I. Questions to the Council

Question No 1, by Mrs Salisch (H-581/83)

Subject: Visa requirements for Turkish workers in the Federal Republic of Germany

What steps does the Council propose to take to ensure that, at the very least, pledges already given by a Member State (Federal Republic of Germany) that it will issue free one-year visas to Turkish workers are actually honoured?

Question No 2, by Mr Van Minnen (H-583/83)

Subject: Visa requirements for Turkish workers in the Federal Republic of Germany.

What steps has the Council taken to put into practice the call set out in Parliament's report on visa requirements for Turkish workers for free one-year visas to be issued?

Joint answer

It is not for the Council to take steps in this area as the conditions and procedures for granting visas to Turkish workers are the responsibility of the Member States.

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Question No 14, by Mrs Hammerich (H-656/83)

Subject: Common commercial policy

Would the President of the Council elaborate on the following passage in his statement to Parliament on 18 January 1984:

'In particular, therefore, the Community should strengthen its cohesion as regards its common commercial policy. To achieve this it should equip itself with the necessary means to defend its policy and protect its interests on the same conditions as those enjoyed by its major trading partners. On the basis of a Commission proposal discussions are in progress with a view to adopting a new instrument in the context of the common commercial policy. It is the Presidency's aim that these discussions should result in practical action.'

What are the 'necessary means to defend its policy and protect its interests' referred to? Which specific 'proposal from the Commission' did the President of the Council have in mind?

Answer

The President of the Council was referring to the Commission proposal for a regulation on the strengthening of the common commercial policy, with regard in particular to protection against illicit commercial practices. The background to this proposal is that the commercial policy instruments the Community is currently considering — principally the anti-dumping and anti-subsidy procedures and the regulations concerning safeguard measures — do not cover all cases and in particular do not apply where illicit commercial practices, other than dumping or subsidies, attributable to a third country cause or threaten to cause an injury to Community industry. The Commission therefore suggests that a decision be taken to introduce a new commercial policy instrument to enable the Community to safeguard itself against such illicit practices and to ensure the full exercise of its rights while fully respecting existing international commitments and procedures.

The European Parliament was consulted on this proposal and delivered a very detailed opinion in June 1983.

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Question No 18, by Mr Welsh (H-671/83)

Subject : Remarks of the French Secretary of State for the Budget.

I should like to ask the Council whether the remarks made by the French Secretary of State for the Budget at a lunch in honour of the Delegation of the US Congress on 20 January were in the capacity of the acting President-in-Office of the Council and, if so, whether they represented the position of the Council as regards relations between the Community and the United States, particularly regarding enlargement.

Answer

The State Secretary attached to the Minister for Economic Affairs, Finance and the Budget, responsible for the budget, received the participants at the 23rd meeting of delegations from the European Parliament and the United States Congress, at their request, for a working lunch in his dual capacity as President-in-Office of the Council and representative of the host country. The speech which he made on that occasion was perfectly in line with the Council's position on the subjects dealt with.

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Question No 20, by Mr Adamou (H-680/83)

Subject : Persecution of immigrant trade unionists

Despite Community declarations on the protection of immigrant workers' rights there are frequent reports of immigrants being persecuted in Member States for carrying out their lawful trade union activities. A recent example of this is the case of a Greek trade unionist in the FRG, Mr G. Stavropoulos, who in addition to being dismissed for defending workers' rights found that when he had recourse to the law the courts responsible in the FRG systematically obstructed his attempts to obtain justice by continually postponing the hearing of the case, with the result that he ran into financial difficulties and had to leave the country.

Can the Council state what measures it intends to take to protect immigrants and their inalienable rights from the unlawful and anti-labour persecution engaged in by the authorities of Member States of the Community and, in particular, to stop the persecution of the Greek immigrant trade unionist in the FRG, Mr G. Stavropoulos?

Answer

The Council would remind the honourable Member that Article 8 of Regulation (EEC) No 1612/68 guarantees equality of treatment as regards membership of trade unions to all workers who are nationals of a Member State and are employed in the territory of another Member State. The Solemn Declaration on European Union signed in Stuttgart on 19 June 1983 reaffirmed that respect for and maintenance of representative democracy and human rights in each Member State are essential elements of membership of the European Communities. As regards compliance with Community provisions, Article 155 (first indent) of the Treaty establishing the European Economic Community makes the Commission responsible for ensuring that the measures taken by the institutions pursuant to the Treaty are applied.

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Question No 21, by Mr Ephremidis (H-683/83)

Subject : Recognition of migrant workers' collective organizations (communities and federations)

Migrant workers living in EEC Member States set up and participate in mass bodies, usually consisting of people of their own nationality, and are active in furthering their own special interests. In so doing, they perform an extremely valuable social function, dealing with questions of information, culture, migrant workers' rights, social adjustment, etc. In most of the Member States, however, these bodies are not recognized and remain unexploited whereas they could make a decisive contribution to improving the quality and conditions of migrant workers' lives and also to combating racism and xenophobia.

Can the Council say what steps it proposes to take to ensure that the Member States recognize migrant workers' collective organizations (communities and federations) as interlocutors on issues affecting migrant workers themselves, so that they can play their important part more effectively?

Answer

The conditions for the recognition of such collective organizations are determined by national law.

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Question No 22, by Mr Alavanos (H-686/83)

Subject : Restrictions on Greek steel industry imports

According to estimates by the Greek Government, Greek steel plants are capable of stepping up both their output and their exports. Does the Council not consider that by rejecting the Greek request for a 1984 export quota to the USA of the order of 100 000 tonnes of cold-rolled steel products and 20 000 tonnes of hot-rolled products it will contribute to a weakening of this basic branch of Greek industry which, unlike the steel-producing units in other Community countries, is on the upturn?

Answer

The Greek request for an increased export quota for 1984 is currently being studied by the Council, which will in fact consider the matter at its meeting next Monday and Tuesday. I am confident that a satisfactory solution will be found for Greece.

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Question No 24, by Mr Antoniozzi (H-690/83)

Subject : Mediterranean policy

What precise guidelines does the Council have for an adequate Mediterranean policy, which is vital and urgent both in anticipation of the Spanish and Portuguese accession and in view of the importance in this area of political, social and cultural problems as well as economic ones, particularly in the field of agriculture?

Answer

The Council's discussions on the various aspects of the Commission communication of 24 June 1982 on a Mediterranean policy for the enlarged Community have so far concentrated mainly on the trade aspects of industry and agriculture, in order to identify the problems which might arise, or indeed be exacerbated, for our Mediterranean partners, particularly in anticipation of Spanish and Portuguese accession to the Community. At its meeting on 24 January 1983 the Council took a decision establishing a link between the enlargement negotiations and the exploratory talks which the Commission had been requested to hold with the Mediterranean countries.

The Council does not as yet have clear enough view of the content and duration of the transitional measures which will be adopted in the context of the current negotiations with Spain and Portugal, and it has not yet received the report which the Commission has announced it will be making on the exploratory talks.

The Council is, however, aware of the importance in the Mediterranean of political, social, cultural and economic, and especially agricultural, problems. In the coming months the Council will be called upon to set out — in the light, firstly, of the Commission report on the exploratory talks and, secondly, of proposals expanding on the guidelines contained in the Commission communication of June 1982 which the Commission will be submitting to the Council in this context — political guidelines and any decisions to adjust the Mediterranean Agreements which may be deemed necessary.

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Question No 25, by Mr Simmonds (H-694/83)

Subject: European Foundation

Can the President-in-Office of the Council state what progress is being made in establishing the European Foundation?

Answer

After detailed negotiations the Agreement setting up the European Foundation was signed in Brussels on 29 March 1982. In accordance with Article 26(2), the Agreement will enter into force one month after the date on which all the signatory Member States have deposited their instruments of ratification, acceptance or approval with the Government of the French Republic. The relevant parliamentary procedures are generally complex and have not yet been completed in most of the signatory States.

I would remind the honourable Member that the States which signed the Agreement decided to set up a Preparatory Committee, which is currently working on a draft programme for the European Foundation which will be submitted to the future board of the Foundation. It has already held three hearings to gather suggestions from various organizations concerned with cooperation between the peoples of the Ten Member States.

The signatory States are continuing discussions within the Council on the privileges and immunities to be granted to the Foundation, its members and its staff, taking into account the Foundation's operational requirements and independent character.

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II. Questions to the Foreign Ministers

Question No 26, by Mr Rumor (H-667/83)¹

Subject: Political and economic situation in Europe as a whole ²

Will the President-in-Office of the Foreign Ministers meeting in political cooperation make a statement 'on the political and economic situation in Europe as a whole, based on the Final Act of 1975 of the Conference on Security and Cooperation in Europe and on the extent of its implementation', particularly in the light of the outcome of the Madrid Conference?

¹ Former oral question with debate (0-105/83) converted into a question for Question Time.

² The Political Affairs Committee tabled this question with a view to the organization of the annual debate provided for in the resolution adopted by the European Parliament on 9 July 1982 (OJ C 238 of 13 September 1982, pp. 81-82) on a symbolic empty seat in the European Parliament.

Answer

The question tabled by the honourable Member is a timely reminder of the importance which the Ten attach to the Helsinki Final Act and the Madrid document. As the Presidency has stated publicly, most recently at the opening of the Stockholm Conference, Europe is divided. It is a fact, and it is a result of past wars and present ideological, political and military differences. There is for this reason a particular need to develop relations among the countries and peoples of Europe, without regard to their political, economic and social systems. This is precisely the thrust of the Helsinki Act, the provisions of which seek to encourage relations among the signatory States in all areas. The main areas are confidence and security, economic, scientific and technical relations, human rights and human, cultural and information exchanges, etc.

Although the document that was adopted by consensus in Madrid did not contain everything that the Ten hoped for, they were nevertheless satisfied inasmuch as the document was balanced and substantive. The Ten attach as much importance to the human aspects as to the provisions concerning the conference on confidence and security-building measures and disarmament in Europe.

The Ten therefore welcomed the opening of the Stockholm Conference, the first stage of which deals with the negotiations and adoption of confidence and security-building measures which will be militarily significant, politically binding, subject to verification and applicable throughout Europe. The start of the Stockholm Conference, which provides an opportunity to reopen high-level talks between East and West at a particularly difficult time, has once again underlined the importance of the CSCE process. The Ten also attach a great deal of importance to the provisions seeking to clarify or complete the means of implementing the Helsinki Agreements, regarding for example human rights, human contacts and the reuniting of families, access to diplomatic and consular missions, trade union and religious freedom, the exercise of the profession of journalist, etc.

The review of the implementation of the Helsinki Agreements, which has been regularly made — and especially at Madrid — as part of the CSCE process, has shown that there are serious shortcomings. It is nevertheless essential to persevere since the effects will be felt only in the long term. In this connection the Ten are pleased that there are still chances for the process to continue, in Vienna in 1986. They will be realistic but firm in taking every opportunity, on the basis of the undertakings given by all the signatory States, to encourage in every area the implementation of the Helsinki and Madrid Agreements which can promote better relations among the countries and peoples of Europe, improve people's living conditions and develop the confidence which is essential for dialogue. Furthermore, the possibilities for cooperation contained in the second basket of the Helsinki Final Act are far from being fully exploited. More thorough and widespread cooperation would benefit all the States in question.

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Question No 32, by Mr Lagakos (H-404/83)

Subject: Ban by the Nine on the Greek Prime Minister's representing the Ten at the UN

According to reports in the Greek and particularly the foreign press in the week of 12 to 16 September, on the basis of statements by the Belgian Foreign Minister, Mr Tindemans, the Nine banned the Greek Prime Minister, Mr Papandreou, from representing the Ten at the UN General Assembly. As these reports are creating surprise and confusion in public opinion, can the Foreign Ministers say what truth there is in the Tindemans statements and the articles referring to them ?

Answer

The press reports to which the honourable Member refers in no way reflect the real situation and are a blatant misrepresentation of the comments made by the Belgian Foreign Minister during a press conference. It was with the full support of all his colleagues that the Greek President-in-Office made a speech on behalf of the Ten to the UN General Assembly on 27 September 1983.

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Question No 36, by Mrs Van Hemeldonck (H-674/83)

Subject : Serge Berten

Two years ago Serge Berten, a Belgian development worker, was abducted in Guatemala. No word has been heard from him since. According to the Berten family, the Belgian Ministry of Foreign Affairs has made no declaration about Serge Berten's disappearance to the UN Working Party on Missing Persons. What representations have the Foreign Ministers made to the Guatemalan authorities with a view to discovering the whereabouts of Serge Berten ? What was their practical outcome ? What do the Foreign Ministers intend to do in the near future to shed finally some light on this affair ?

Answer

The Ten condemn violations of human rights wherever they occur. In this connection they are particularly concerned by the situation in Central America, including Guatemala. In the case of Mr Serge Berten, the protection of the rights of a national of a Member State in a third country is in the first instance a matter for the Member State involved. The Ten as such have not dealt with the Berten case but it is being actively followed by the Member State of which he is a national.

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Question No 37, by Mr Adamou (H-681/83)

Subject : Human rights in Morocco

In Morocco, a country with preferential relations with the EEC through the agreements with the Maghreb countries, dozens of the hundreds of thousands of people demonstrating their opposition to King Hassan II's announcement of price increases on basic commodities were killed in clashes with the police. Can the Foreign Ministers meeting in political cooperation state how they view these actions by the Moroccan Government and what steps they propose to take ?

Answer

The Ten have not considered in the context of political cooperation the issue of Moroccan domestic policy following the disturbances which occurred in that country in January. The Ten are nevertheless paying keen attention to the development of events in an area with which they have close ties of friendship and cooperation.

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*III. Questions to the Commission**Question No 42, by Mr Galland (H-494/83)*

Subject: Convergence of economic and social policies

Does the Commission intend to propose the introduction of the 35-hour week in the Ten Member States of the Community? If so, is it not afraid that as a result the Community's competitive position *vis-à-vis* its major industrial competitors, particularly the United States and Japan, will be weakened, thereby exacerbating the Community's unemployment problems?

Answer

In September 1983 the Commission proposed a Recommendation ¹ to the Council on the reduction and reorganization of working time to bring about a reduction in individual working time, combined with its reorganization, sufficiently substantial to support positive employment developments and at limiting systematic paid overtime more strictly. As is stated in the draft recommendation the reductions in individual working time may involve reductions in hours worked daily, weekly, annually or in the amount of time spent working over an entire lifetime and the Commission does not recommend a reduction in weekly working time across the board. It takes, however, the view that in order to combat unemployment an acceleration of the underlying trend in the reduction of individual working time will be necessary in the immediately coming years, under conditions of constant unit production costs.

The Commission is of the opinion that a reduction and reorganization of working time under the conditions laid down in the draft recommendation will not impair competitiveness of the Community industries with regard to third countries. In fact, the reorganization of working time, combined, where applicable, with its reduction, will help to achieve a more flexible and intensive use of the means of production and to ensure that unit production costs do not increase while at the same time contributing to improving employment in the framework of pursuing and developing efforts to reestablish economic growth.

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Question No 51, by Mrs van Hemeldonck (H-627/83)²

Subject: Community aid for the development of the Carajas iron-ore mine in Brazil

In 1983 the Community granted a loan of 600 million ECUs to Brazil for the development of an iron-ore mine in Carajas (East Amazon region). According to Brazilian scientists the situation in this region is very alarming: tens of thousands of small farmers are being driven out, by force, the rights of the Indians are not being respected, the ecological balance of the Amazon forest is being destroyed and national and international speculators are apparently in control throughout the area. The whole project also involves a very heavy financial burden for Brazil, which is already encumbered with enormous debts.

¹ COM(83)543 final

² Former oral question without debate (0-108/83), converted into a question for Question Time.

Is the Commission aware of this disturbing situation? Can the Commission indicate what implementing conditions were attached when this loan was granted to Brazil? Does the Commission intend to send a team of investigators to make an on-the-spot assessment of the situation? Could the non-governmental organization form part of this team? Does the Commission not consider that this Community loan to Brazil should be suspended until there can be no doubt that human rights in this region are no longer being trampled underfoot?

Answer

The Commission has already had occasion when answering various parliamentary questions to indicate that it pays careful attention to the social and environmental impact of the Carajas project since the Community has a small but nevertheless significant share in the co-financing of the iron-ore part of the project. In this connection the Commission is of course aware of the concern voiced by the non-governmental organizations during meetings which were organized by the Commission and to which the honourable Member refers.

The Commission would like to remind the House that, firstly, when it took the decision to seek the assent of the Council for the ECSC loan in May 1982 the decision was based on a thorough study of the case. This was carried out with the close cooperation of the World Bank and considered in particular the social aspects and environmental protection. The Companhia Vale do Rio Doce in fact submitted the studies on the environment which it had presented to the World Bank. For its part, the World Bank linked the granting of its loan to the implementation of a Brazilian Government programme to protect the population and the environment. The cost of the programme has been put at 13 million dollars. At the prompting of the non-governmental organizations more thorough checks have been carried out, again in cooperation with the World Bank and other financial bodies which are co-financing the project. These investigations show that, as far as the environment is concerned, a major programme to protect the natural milieu is being implemented as the works progress. With regard to the impact on the local population, especially the Indian population, the implementation of the mining project is being accompanied by a series of measures for the development of local infrastructure and social welfare. The Companhia Vale do Rio Doce has also indicated that it is ready to welcome the representatives of the non-governmental organizations who would like to make an on-the-spot assessment.

As for the payment schedule of the ECSC loan, only a first tranche of 65 million dollars has been paid in October 1982. There has been no request for any further tranche and the Commission naturally has a power of appraisal with regard to subsequent tranches. As the project progresses, the Commission will not fail to pay special attention to its social and environmental impact.

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Question No 54, by Mr Blaney (H-596/83)

Subject: The report of the Court of Auditors on the cost of the CAP.

In view of the fact, cited by the Court of Auditors in its report in response to the European Council of June 1983, that 'in 1981, 70 % of guarantee funds were channelled into payments to agri-foodstuffs undertakings', will the Commission propose amendments to the intervention mechanisms, as the Court of Auditors suggests, 'to ensure that the measures reach those whom they are supposed to benefit — farmers or consumers?'

Answer

The Commission has noted with interest the special report by the Court of Auditors which was requested by the European Council in June 1983. It shares the general views expressed on the impact on the EAGGF Guarantee Section of the various factors referred to and on the possibility of making savings by improving Community preference, abolishing or reducing certain aids and phasing out monetary compensatory amounts. However, it is unable to comment on the key figures advanced by the Court since no precise justification has been given for them.

The Commission wishes to recall the proposals which it made in July 1983 for the adaptation of the CAP (COM 500) followed, in recent months, by proposals for implementation. The Commission has also recently submitted its price proposals for the 1984-85 marketing year accompanied by various measures aimed at making savings.

* * *

Question No 55, by Mr Pintat (H-598/83)

Subject: Expenditure by the International Energy Agency

What expenditure has the 21-country International Energy Agency undertaken in the last three years? What percentage of this has been taken up by nuclear energy?

Answer

The International Energy Agency's budget in the last three years has been as follows:

1981 — FF 54 825 400
 1982 — FF 62 061 400
 1983 — FF 69 259 200

There is no breakdown of the figures for expenditure on nuclear energy.

* * *

Question No 58, by Mr Pearce (H-634/83/rev.)

Subject: Lead-free petrol

Will the Commission state whether it had in its possession, at the time when Mr Commissioner Narjes made comments in the December session of Parliament, regarding the introduction of lead-free petrol, information on:

— the percentage increase in petrol prices; the percentage decrease in miles per litre of petrol; the increase in the purchase price of cars; and, if so, what that information was?

Answer

First of all, I should like to say that the Commission particularly welcomes the House's concern regarding the lead content of petrol and the emission of pollutants from motor vehicles.

The Commission still intends to submit to the Council by 15 April 1984 proposals concerning a restriction of the exhaust emissions of motor vehicles and a reduction in the lead content of petrol.

As regards the problem of possible unilateral national provisions, which was raised by Mrs Seibel-Emmerling and Mr Seefeld in particular, the following points are emphasized:

- (a) unilateral national provisions must always comply with Community law,
- (b) this applies in particular to the conditions governing the free movement of goods and the rules on competition.

The essential task is to define common environment policy objectives which must be attained by an agreed date taking into account the latest developments in this field. The adoption of such Community goals must be consistent with the unity of Community law and a uniform market.

The Commission takes the view that common goals must be defined in such a way as to allow various measures to be implemented for an as yet undetermined transitional period without affecting intra-Community trade or contravening the rules on competition.

As regards the range of issues relating to the possible effects of introducing lead-free petrol and restricting the emission of pollutants from motor vehicles, on the prices of fuel and motor vehicles and on petrol consumption, Mr Pearce's question highlights the close relationship that exists between these problems. On this subject, the Commission notes that :

- in considering these questions the Commission extended the ERGA II Group's terms of reference at the beginning of July to include an examination of issues with a particular bearing on the problems of reducing the lead content of petrol.
- this group's work will be available at the end of February 1984 when it will be possible to gain an overview of the interrelationships between the various issues involved.

Several questions raise the problem of the technical feasibility of introducing lead-free petrol and reducing the emission of pollutants. In this connection, it is not to be expected that the Commission will propose the use of specific technologies.

* * *

Question No 63, by Mr Denis (H-630/83)

Subject : Reduction of American Government aid to Zimbabwe

The American Government has just halved its financial aid to Zimbabwe because, according to American Representative William H. Gray, of Zimbabwe's opposition to American policy and particularly the invasion of Grenada. Does the Commission intend to protest against such practices since the United States is one of the main donors of aid to Zimbabwe and this move could have catastrophic consequences for the country ?

Answer

The Commission shares the honourable Member's regret at the decision of the American authorities to cut development aid to Zimbabwe from 75 to 40 million dollars in the 1984-85 tax year. The fact is that American aid to this country has been of great importance — more than 200 million dollars since independence — and has proved to be well suited to requirements. The reduction in aid will as a result hinder the economic development of the country. Be that as it may, it is not for the Commission to protest at this decision since it is up to the American authorities alone to decide on the destination of aid granted to developing countries by the United States.

* * *

Question No 64, by Mr von Hassel (H-631/83)

Subject : Transfrontier traffic

Having regard to the unremitting efforts of Members of the European Parliament to remove all barriers to transfrontier traffic ; whereas the Transport Ministers of the Commu-

nity have finally agreed to eliminate these barriers within a period of one year; and whereas, nevertheless, one of the most important international traffic routes — the Brenner highway — is often totally blocked owing to labour disputes involving customs or other control officials stationed there, causing heavy financial and economic losses and considerable personal inconvenience for those forced to wait at the border because of wildcat strikes :

Is the Commission prepared to exert pressure on States where labour disputes cause delays of this kind so that, in the case of a strike, they open — or keep open — their borders by removing all border controls ?

Answer

It is the view of the Commission that the right to strike, which is guaranteed in law or by the constitution in most Member States, cannot in principle be restricted by the provisions of the EEC Treaty on the free movement of goods. The Commission does not fail to recognize however that actions such as those which the honourable Member calls strikes can in particular circumstances lead to a considerable disruption of the free movement of goods in the Community, even if such actions are not in direct contravention of the Treaty.

It is nevertheless the Commission view — in line with the ruling of the Court of Justice — that where there are no harmonized customs regulations the legislative authority of the Member States remains intact, inasmuch as the national provisions do not hinder the free movement of goods unnecessarily, i.e. as a result of regulations which are not absolutely essential to attain the goal which is sought.

Having regard to the consequences which might arise from the exercise of the right to strike, the Commission would point out that national legislation in the Member States already makes provision for the maintenance of essential services if necessary; in some Member States public employees can be subject to a compulsory order to work.

The Commission could therefore remind the Member States, in the event of their failing to make use of all the measures available to them to curb unnecessary obstacles to the free movement of goods, of their obligations under Articles 5 and 30 of the EEC Treaty.

* * *

Question No 65, by Mr Bocklet (H-635/83)

Subject: Clearance of goods at the Brenner Pass

For several weeks the carriage of goods from the Federal Republic of Germany to Italy has been severely disrupted at the Brenner frontier post and the situation has now reached a new crisis point. Every day there are tailbacks of several kilometres involving hundreds of lorries. This disastrous situation has arisen owing to the overhasty and totally unprepared introduction by the Italian authorities of a drive-in system of clearance for goods traffic. In addition to the economic losses incurred by road haulage operators as a result of the slow clearance and long waiting periods associated with it, the conditions for drivers, in terms of social and sanitary facilities, are intolerable.

Is the Commission aware of the Problems outlined above and what is its view of the situation in the light of the principle of the free movement of goods enshrined in the EEC Treaty? What action does the Commission intend to take in its capacity as guardian of the Treaties ?

Answer

At the end of 1983 and the beginning of 1984 a number of professional organizations informed the Commission that there were problems at the Brenner border crossing. According to the information currently available to the Commission, these problems have arisen because the Italian authorities have introduced at the Brenner Pass three rapid clear-

ance lanes which are supposed to speed the clearance of lorries carrying goods in transit or destined to be cleared in Italy. As a result of works connected with the new scheme and the changeover to the new system, there were additional delays for a short time. At the end of January the authorities in Rome informed the Commission that the problems had since been solved and that in their view the desired simplification of formalities could be achieved.

* * *

Question No 69, by Mrs Dury (H-642/83)

Subject: Projects receiving aid from the Belgian Special Survival Fund

Belgium has set up a Special Survival Fund to provide effective aid to combat hunger in the world. The first action taken by this fund was to support two International Agricultural Development Fund projects, one in Somalia and the other in Kenya. Can the Commission say if it was informed of these special Belgian projects as part of the activities undertaken by the Community to combat hunger in the world; whether it does not think it necessary to ensure closer coordination between national and Community activities and whether the Commission believes that the projects supported by Belgium are in accordance with its thinking on food strategies?

Answer

The Commission is aware of the two Belgian Special Survival Fund projects in Kenya and Somalia, to which the honourable Member refers in her question. In the case of Somalia the purpose is to improve the production and storage of maize and sorghum in the Shebelle region. The project is therefore entirely in line with Community policy on aid for the development of food production in developing countries. The Community for its part will act in a complementary area as part of the programme to protect natural resources (second part of the special programme to combat hunger in the world — Regulation 1993/83).

The Kenyan project is located in the province of Nyanza and concerns the exploitation of the fish resources of Lake Victoria by 2 000 heads of family and better health conditions for the local people. The Commission was informed of this project at a meeting between Member State experts and Commission representatives, held in Brussels on 23 and 24 November 1983, to discuss food strategies in Rwanda and Kenya.

The coordination of bilateral schemes and Community activity is one of the key elements of food strategy. Coordination is ensured partly by meetings in Europe between officials from the Commission and the Member States — such as the meeting referred to above, but there are also meetings at Council level — and partly as a result of arrangements in the countries where the Community offers support on food strategy (Kenya, Mali, Rwanda and Zambia). In the case of Kenya, for example, there are three bodies operating in Nairobi:

- a standing committee on coordination between Community countries and the Commission;
- an enlarged committee including aid-giving countries outside the Community;
- an EEC-Kenyan Government working party which ensures the coordination which is essential for the effective implementation of food strategies.

* * *

Question No 71, by Mr Delorozoy (H-645/83)

Subject : Tobacco surtax in France.

The introduction of a tobacco surtax in France has resulted in a sharp increase in the tax on a packet of cigarettes, the price of which has risen by about 45 % since 1981. This provision does not appear to be consistent with the trend in taxes on tobacco throughout Europe ; moreover, manufacturers are not allowed to apply normal price rises to cover increases in production costs and are thus facing serious problems.

Can the Commission say what steps it has taken to ensure fair competition among European cigarette manufacturers in the various Member States of the EEC ?

Answer

The Commission endeavours to create healthy competition within the Community in the field of manufactured tobacco. For this reason Council Directive 72/464/EEC of 19. 12. 1972 on taxes other than turnover taxes which affect the consumption of manufactured tobacco provides for the harmonization of the structure of such taxes.

The Commission has commenced infringement proceedings against France under Article 169 of the EEC Treaty for non-compliance with Articles 2 and 4 of the tobacco directive. The grounds for the proceedings are, on the one hand, that the special levy on tobacco recently introduced by the French Government cannot be regarded as an excise duty as specified in Article 2 of the directive and, on the other hand, that the basis of assessment for the proportional element consists of the price before the levy is imposed and not the maximum retail selling price.

In addition the method of calculating the levy distorts the relationship between the specific element and the total tax charge arising from the proportional excise duty, the specific excise duty and the VAT charged on cigarettes in the most popular price category as laid down in Article 10 b of the directive.

Furthermore, the levy in question is not included in the taxable amount for VAT as provided by Article 11 A 2a) of the 6th VAT directive, which stipulates that the taxable amount should include all taxes, duties, levies and charges excluding the VAT itself. This aspect is, therefore, also covered by the infringement proceedings.

A reply to the Commission's Article 169 letter was received on 9. 11. 1983 but the Commission considered that the explanation put forward by the French Government was not satisfactory and therefore decided to issue a reasoned opinion to France.

As far as the increase in the price to consumers is concerned, the Commission would inform the honourable Members that the French Government is continuing to fix (and limit) officially the retail price of cigarettes, instead of allowing manufacturers and importers to establish freely the price of their products in accordance with Directive 72/464/EEC. France was condemned for this system of price fixing in a Court of Justice ruling of 21. 6. 1983. To date, despite the Commission's reminders, the French Government has taken no steps to apply the ruling and eliminate the infringement.

I have already recommended to my colleagues that the Commission take the necessary legal action.

Question No 76, by Sir James Scott-Hopkins (H-651/83)

Subject : Vocational training

Does the Commission believe that it is desirable that a period of vocational training should be available free of charge to every school-leaver in every Member State of the Community and does it have any fixed views as to the desirable length of such training and any intention to provide financial incentives for employers to participate in such a scheme ?

Answer

The Commission's position as set out in its Communication to the Council of 21 October 1982 concerning 'Vocational training policies in the European Communities in the 1980s' is that all young people who so wish have unconditional access to :

- (a) a full-time programme of social and vocational preparation for working life during an initial one-year period immediately after the end of compulsory schooling, and
- (b) an entitlement to the equivalent of a further one-year period of vocational training to be used on a full-time or part-time basis before reaching the age of 25.

This Communication took as its starting-point the framework of general principles for the development of a common vocational training policy established by the Council Decision of 2 April 1963.

After discussion in the Parliament and the Economic and Social Committee and consultations with the national authorities of the Member States, the Commission's proposals were taken up in the Council Resolution of 11 July 1983. This includes the following, more modest, commitment by the Member States :

'During the next five years, taking account of the responsibilities of the two sides of industry in this area, Member States

- will do their utmost to ensure that all young people who so wish and particularly those without educational or vocational qualifications, can benefit over a period of at least six months and if possible one year following full-time compulsory education from a full-time programme involving basic training and/or an initial work experience to prepare them for an occupation,
- moreover, will pursue their efforts, in the context of their national policies and practices, to see that for young people without sufficient qualifications, including particularly those who are looking for work, adequate opportunities of vocational training designed to improve their skills and qualifications are available.'

Under the guidelines for the management of the European Social Fund 1984-1986, which were published in the Official Journal of 10 January 1984, priority will be given to applications for operations which respond to the objectives set out in the Council Resolution of 11 July 1983 and in other related resolutions. Though employers can and do benefit from Social Fund support, intervention by the Fund must in all cases be matched by a contribution, usually an equal contribution, from a public authority in the Member State concerned.

* * *

Question No 77, by Mr Patterson (H-659/83)

Subject : Funds voted by Parliament for the anti-poverty programme

Given the substantial funds entered in the 1984 budget for measures to combat poverty and approved by this Parliament, will the Commission now give details of the use to which this money will be put and of the legal basis for expenditure ;

Will the Commission further indicate the time-table envisaged for the approval of a Council Decision on a second programme to combat poverty in the EEC and, in particular, the time-table for obtaining the opinion of Parliament on the proposed Decision ?

Answer

The 1984 commitment appropriations under Article 646 for special measures to combat poverty will be used by the Commission to continue information and dissemination activities and to complete preparations for a new specific programme to combat poverty following the Council's request of 10.12.1982.

In addition to a number of major statistical studies and action to promote the establishment of a 'clearing house' on poverty, the Commission intends to sponsor a series of European seminars on the priority themes for a new programme identified in the course of the consultations held during 1983. These themes include the problems of deprived urban zones and certain rural areas, the situation of the long-term unemployed, certain groups of jobless young people, single parent families and the very elderly, and the position of second generation immigrants, returning migrants, refugees and other groups outside the social protection net.

These seminars, to be organized in liaison with expert organizations in Member States and some of the major European level bodies concerned with poverty, would be designed in particular to contribute to the identification of action research projects for the new programme.

The Commission also intends to set up a team of experts to prepare for the work of coordination and evaluation of the new actions to be undertaken.

The Commission is of the opinion that it needs no new legal base for this expenditure which enables it to meet its obligations for the preparation of the new programme. (The payment appropriations in the 1984 budget will be used in part to finance commitments entered into in 1983).

The proposal for a Council Decision concerning a new programme of measures to combat poverty will be transmitted to the Council in the near future. The opinion of the European Parliament and that of the Economic and Social Committee on that proposal will be sought at the same time.

* * *

Question No 78, by Sir Peter Vanneck (H-660/83)

Subject : Argentina and the non-proliferation treaty

Noting that the Euratom-Argentina Agreement expired in November 1983, can the Commission give an assurance that in any new agreement between the European Atomic Energy Community and Argentina, the Community will insist on inspection and verification on Argentine territory, just as the Community accepts the same procedures ?

Answer

It is too soon to say whether the Euratom-Argentina Agreement which expired in November 1983 will be replaced by a new cooperation agreement in the nuclear sector. However, if negotiations on the conclusion of such an agreement are opened the Commission will naturally see to it that all guarantees and safeguards are provided.

* * *

Where a Member State fails to make use of this possibility and incorporates the criteria laid down in the Directive instead of its previous national requirements, the Community provisions alone shall apply in that State. With reference to these provisions, the country concerned may then refuse to accept imports of products having a lower standard of safety.

If, on the other hand, a Member State takes up the option of maintaining lower national safety standards alongside the Community requirements, either the Community or the national criteria shall apply to the distribution and sale of the relevant products on the territory of the country concerned. In that case a Member State may not refuse to accept the importation of products which meet its own national requirements on the grounds that they do not comply with the Community provisions. That would be clearly incompatible with Article 30 of the EEC Treaty.

If, on the other hand, the products in question comply neither with Community nor with national safety requirements but meet the lower requirements of a different Member State, the importation of such products may be refused.

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Question No 79, by Mr Marck (H-662/83)

Subject: Paying for intervention purchases

According to Commission reports the Commission has decided to lay down longer deadlines for paying for intervention purchases. Deadlines for payment have been extended from 60-90 days to 120-150 days. This would mean savings of BFR 7 500 million. What financial repercussions will this have on those concerned?

Answer

It is not possible to estimate the financial effects on particular interested parties. The general effect is to reduce the attraction of intervention for the products concerned, by adding to the cost of financing sales. The extent of the cost increase will depend upon the product, the Member State, and the nature of the business of the interested party. The effects will be greatest in cases where the extension is a long one, there is heavy reliance on intervention, and local interest rates are high. Although the overall incidence is marginal, representing less than 1 % of the total value of ex-farm sales of the products concerned, the effect on individual operations could be a significant cut in margins.

* * *

Question No 82, by Mr Bettiza (H-666/83)

Subject: Collection of data on EEC-Yugoslavia trade

With reference to Article 5 of the EEC-Yugoslavia Cooperation Agreement, can the Commission state its attitude to the siting on the territory of the Community of an office for the collection of data on trade, particularly cooperation between undertakings?

Answer

The Business Cooperation Centre referred to in Article 5 (2) of the Cooperation Agreement between the EEC and Yugoslavia is a body working within the Commission departments in Brussels at 200 rue de la Loi. The article states that the centre is open to Yugoslav economic agents.

* * *

Question No 83, by Mr Prout (H-673/83)

Subject : Imports from Member States

Is a Member State obliged to accept imports from another Member State which fall short of the Community standard laid down in an optional harmonization directive governing the safety standards to be met by those imports, but which meet a lower national standard which it observes domestically ?

Answer

A directive aimed at achieving optional harmonization and defining safety requirements for certain products obliges the Member States to authorize on their respective markets products which comply with these requirements. However, it leaves those States the option of also accepting products which do not satisfy these requirements.

Question No 84, by Mrs Castle (H-675/83)

Subject : Import of pets

Will the Commission reject any suggestion that the rules for import of pets by tourists in the Community should be harmonized as such harmonization would be irrelevant to the working of the common market and would threaten the highly effective measures taken by Britain and Ireland to eradicate rabies from their territories.

Question No 93, by Dame Shelagh Roberts (H-697/83)

Subject : Quarantine laws relating to dogs and cats

Has the Commission any proposals under consideration for the removal of import restrictions on the movement of dogs and cats between Member States of the Community and, if so, will the Commission take note that rabies is a horrific and insidious disease and that those countries that are free of it should be able to look to the Community for help in maintaining their disease-free status ?

Joint answer

Allow the Commission to assure the honourable Members that the Commission is aware of the serious nature of rabies, of the importance of this disease for the public, and of the need to avoid its introduction into those Member States where it does not exist.

The Commission has no health proposals at present under consideration in this area in respect of cats and dogs. The Commission can assure you that it will certainly take into full account the needs of all Member States to protect themselves against dangerous contagious diseases should it begin work in this field.

* * *

Question No 85, by Mr Croux (H-678/83)

Subject : Rise in cost of nuclear energy

Reports have recently appeared concerning the rise in cost of nuclear energy and, in particular, the cost of constructing nuclear power plants. A recent study carried out by the Worldwatch Institute, an independent American research centre, apparently concludes that these costs are considerably higher than the original estimates.

Reports that a nuclear power plant near completion at Moscow in the American state of Ohio has been converted into a coal-fired electricity generating station would appear to corroborate this conclusion.

Can the Commission state whether the abovementioned reports can be confirmed and, in particular, whether the cost of nuclear energy and nuclear power plants is considerably higher or whether higher estimates will have to be made than was the case until recently and, if so, can the Commission state whether and to what extent this rising cost factor has been or is being taken into account in the overall energy policy proposed by the Commission.

Answer

It is true that the costs of nuclear energy have increased considerably and exceeded forecasts. This is due primarily to the higher financial cost of building nuclear power stations since construction times are longer as a result of administrative procedures which change as the power stations are being built. This is particularly true in the United States where construction times often exceed ten years, whereas in the Community they are between six and seven years. It must also be noted, however, that the costs involved in building coal-fired power stations have also exceeded expectations.

The Commission has no knowledge of the study carried out by the Worldwatch Institute and mentioned by the honourable Member. It can therefore offer no comment on the conclusions of the study and cannot as a result confirm or deny the findings of the study.

The rise in cost of nuclear energy within the Community is not such to jeopardize the competitiveness of nuclear power in the production of electricity. The increased cost of nuclear energy does not affect the objectives of the energy strategy.

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Question No 86, by Mr Adamou (H-682/83)

Subject: Protection for Greek oil producers

Serious problems, even problems of survival, are being faced by Greek producers owing to severe competition from imported seed-oils. The situation will become still worse as from 1 January 1984, when all the protective restrictions on imports of seed-oils are to be lifted and marketing olive oil will become literally fraught with problems. Can the Commission say what steps it proposes to take to protect the incomes of hundreds of thousands of oil producers?

Answer

The problem raised by opening the Greek market to imports of vegetable oils in possible competition with olive oil is one which the Act of Accession resolved by providing for a transitional period of adaptation. The income of olive oil producers within the Community including those in Greece is in any event supported by an aid to production, and aid for consumption and the possibilities of intervention.

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Question No 87, by Mr Ephremidis (H-684/83)

Subject: Transportation of saffron in Greece

Eighty-two saffron-producing communes in Kozani prefecture are facing an acute problem of survival because of the great difficulties they face in moving and marketing the product, which is in fact their chief source of income. This year's production amounted to 9 tonnes; meanwhile 14 tonnes of the 1981/1982 crop lie unsold in the

warehouses. The EEC consumes a total of 17 tonnes of saffron per year, yet from Greece (despite the principle of Community preference) it imports only 6 to 7 tonnes. There is, moreover, no subsidy to boost exports of saffron to non-Community countries.

Can the Commission say what steps it proposes to take to create outlets for Greek saffron so as to secure producers' incomes?

Answer

Like many other agricultural products, saffron (tariff heading 09.10) is covered by a specific market organization (Reg. (EEC) No 827/68 OJ L 151 of 30 June 1968, p. 16). It is also one of a group of spices and flavouring products which is produced in only small quantities in the Community (annual production about 10 tonnes, in Greece only). In such circumstances, the Commission does not envisage proposing the introduction of a more detailed market regime. Under certain conditions national action through the national budget is possible, and the Commission is ready to give guidance to the Greek Government on the compatibility with the Treaty of any national aids which may be proposed.

* * *

Question No 88, by Mr Alavanos (H-687/83)

Subject: EEC refusal to issue more licences to Greek lorries

The number of licences giving freedom of movement to Greek lorries transporting goods between the EEC countries remains at 88 for 1984 (lower even than the number for Luxembourg) because the Community refuses to increase the number, so that either the movement of Greek products from Greece to the other Community countries is impeded or Greek transporting interests are harmed in general. Can the Commission explain why the restriction on the issue of licences to Greek lorries is being continued in 1984, and say what steps it proposes to take to increase the number?

Answer

The quota of authorizations for Greece in 1984 has not been increased because the overall Community quota for 1984 has not been adjusted. This is due to the fact that the Council has taken no action on a Commission proposal submitted in June 1983 for a new method changing the system and comprising:

- a quota increase on the basis of objective criteria during a five to eight year period;
- procedures for the distribution of new authorizations;
- in time, a final system for the organization of the market without Community and bilateral quotas, i.e. free access to intra-Community road haulage services.

The Commission proposal is still under discussion by the Council. The adoption of the proposal would permit a substantial increase in the quota during a transitional period in accordance with the adopted multiplier coefficient.

It is obvious that any increase in the overall Community quota would affect the quotas for Greece and the other Member States. Moreover, the proposed distribution criteria would include a correcting factor designed to offset the disadvantages on certain international traffic routes by taking into account vehicle waiting time due to sea crossings.

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Question No 89, by Mr Treacy (H-692/83)

Subject : Policies towards promoting employment in the Community

In view of the continuing increase in unemployment in the Community, will the Commission outline the policies it has undertaken to date towards combating unemployment, and state to what extent it considers them to have been successful ; will it further state what effect it expects its recent proposals on local employment initiatives,¹ if and when adopted, to have on employment, particularly in less-developed areas, and whether it envisages the adoption of a legal instrument in relation to its proposals on employment for women ?²

Answer

The Commission set out its proposals for a medium-term strategy to deal with the unemployment problem in its 'Action programme to fight unemployment', the general principles of which were adopted by the Council in its resolution of 12 July 1982 on 'Community action to combat unemployment'.³ This strategy is based on the recognition that macroeconomic policies alone are insufficient to deal with the present unemployment problem and that additional specific action is required, particularly to deal with those sections of the labour force most affected by unemployment.

The Commission has produced communications on a number of the issues raised in the Action Programme, notably on public and private investment,⁴ the promotion of youth employment,⁵ women's unemployment,⁶ on the problems of industrial restructuring⁷ on the adaptation of working time⁸ and on local employment initiatives⁹.

The Commission believes that all the items in this strategy constitute a package which, taken together and in a concerted manner by all Member States, will make a concrete contribution to the reduction of unemployment in the Community.

The measures which make up the Commission's action programme to combat unemployment are designed to act upon the overall employment climate in the Community by improving the quantity of permanent and viable jobs in the medium-term as well as promoting the employment opportunities of specific categories of labour. The Commission believes that while no specific figures can be placed on these measures, they have played a vital role in combating the rise in unemployment.

The communication on the employment of young people proposed that the Member States set themselves a concrete objective : to reduce the average level of youth unemployment down to the average level of total unemployment, which would require the creation of 2.5 million net new jobs over a period of five years. The Council did not see fit to adopt this objective, preferring a more general formulation.

As stated in the Commission Communication on local employment initiatives, such initiatives tend to make a positive but modest contribution in the fight against unemployment. Even if their current rate of growth is maintained or increased, LEIs can clearly only complement and not substitute for existing policies aimed at employment growth.¹⁰ Through the various measures set out in the framework of policy guidelines and action at Community level, the Commission proposes to encourage and assist LEIs in a comprehensive manner.

¹ COM(83) 662/fin

² COM(83) 653/fin

³ OJ C 186 of 21 July 1982

⁴ COM(82) 365, COM(82) 641

⁵ COM(83) 211

⁶ COM(83) 653

⁷ COM(83) 148 and COM(83) 355

⁸ COM(81) 779 ; COM(81) 775/COM(82) 830 ; COM(82) 155 ; COM(82) 809 ; COM(83) 543

⁹ COM(83) 662

¹⁰ COM(83) 662 final page 9, point 38.

The communication of the Commission on women's unemployment was examined by the Standing Employment Committee at its 26th session on 22 November 1983. The Commission has, this week, adopted a proposal for a Council Resolution setting out guidelines for action to combat women's unemployment, which it understands the Council wishes to discuss as a matter of priority.

* * *

Question No 90 by Mr Ryan (H-693/83)

Subject: Recoupment of variable slaughter premium for sheepmeat

By sprinkling pepper on sheepmeat exported to other Community countries, UK exporters have been able to avoid the 'clawback' provisions of Regulation 171/84¹. This results in a drain on Community funds and disruption of normal trading patterns. In view of the failure of the Commission's most recent attempt to stop this irregularity (Regulation 3678/83,² what action does the Commission now propose?

Answer

The practice to which the honourable Member is referring has become illegal since the adoption of Regulation (EEC) No 3678/83² of 23 December 1983.

The Commission is, however, aware of the fact that certain irregularities in the Community trade in seasoned sheepmeat may still persist and is engaged in cooperation with the competent authorities of the Member States concerned in a close examination of the matter.

In addition, the Commission is proposing, within the framework of the 1984/85 price package and related measures, the inclusion in the 'clawback' arrangements of all products falling under the heading No 16.02 of the Common Customs Tariff which does comprise the type of meat the honourable Member is referring to. The eventual adoption of this proposal by the Council would fully clarify the position.

Question No 91, by Mr Van Miert (H-695/83)

Subject: European cultural centres

Under the last Presidency of the Council, an informal meeting of the Ministers for Culture of the Member States brought up the idea of nominating each year one city in the Community that would organize exhibitions of works of art or cultural events exemplifying the Community's cultural heritage. However, no formal decision was taken.

In its answer of 17 January to my question No H-568/83, the Council confirmed that the cities of Athens and Amsterdam had already been suggested but that cities that were not capitals would also be considered.

When does the Commission intend to submit the relevant proposals and will these ensure a fair regional spread of the cities that may be selected to avoid centralism, of which there is a real danger if only capitals are eligible?

Answer

As this is a matter of initiatives by the Member States themselves — or by the cities concerned to the extent that they are able and willing — the Commission is not planning to make proposals in this connection. The choice will accordingly rest with the governments and cities concerned, though the Commission will be prepared to help so far as its facilities and powers permit.

¹ OJ No L 20, 25 January 1984, p. 11.

² OJ No L 366, 28 December 1983, p. 53.

The conclusions of the Culture Minister's meeting in Athens on 28 November indicate that not only capitals will be eligible, and that, as intimated by the Council in its reply of 18 January, other cities in Member States may be considered for the holding of art exhibitions and functions representative of the Community's cultural heritage.

In the Commission's view it is for those concerned individually to make up their own minds as to the criteria for selection.

ANNEX II

**COMMISSION ACTION ON EUROPEAN PARLIAMENT OPINIONS ON
COMMISSION PROPOSALS DELIVERED AT THE DECEMBER 1983 AND
JANUARY 1984 PART-SESSIONS**

This is an account, as arranged with the Bureau of Parliament, of the action taken by the Commission in respect of amendments proposed at the December 1983 and January 1984 part-sessions in the framework of parliamentary consultation, and of disaster aid granted.

A. I. Commission proposals to which Parliament proposed amendments that have been accepted by the Commission in full

1. Report by Mr Baudis on the proposal (COM(83)474 final) for a regulation on the grant of financial support under a multiannual transport infrastructure programme

The Commission said it wished to incorporate the amendments proposed by Parliament in an amended proposal which would up-date the temporary provisions. The amended proposal will be sent to the Council by the end of March 1984.

Commission's position at debate : Verbatim report of proceedings, 14 December, pp. 168-9

Text of proposal adopted by EP : Minutes of 15 December 1983, pp. 81-9

2. Commission proposal to the Council for a regulation amending Regulation (EEC) No 1418/76 on the common organization of the market in rice (COM(82)345 final)

Parliament had amended Article 2(4), requesting the same premium for semi-milled rice as for husked rice. The Commission has accepted this. On 23 January the Council endorsed Parliament's opinion.

Commission's position at debate : Verbatim report of proceedings, 16 January 1984, pp. 8-11

Text of proposal adopted by EP : Minutes of 17 January 1984, pp. 11-12

3. Report by Mr Deleau on the proposal (COM(83)241 final) for a decision authorizing the Commission to assist in the financing of innovation in the Community

The amended proposal has been adopted by the Commission (COM(84)21 final) and was sent to the Council on 17 January 1984 and to the European Parliament on 26 January 1984.

Commission's position at debate : Verbatim report of proceedings, 13 December 1983, pp. 145-6

Text of proposal adopted by EP : Minutes of 14 December 1983, pp. 21-27

II. Commission proposals to which Parliament proposed amendments that have been accepted by the Commission in part

4. Report by Mr Turner on the proposal (COM(81)483 final) for a regulation on the particulars to be furnished by Member States' customs authorities in connection with goods classifications in the customs nomenclature

The amended proposal will be sent to the Council during February 1984. It will include the amendments accepted by the Commission, namely amendments 1, 9, 10 and 12-15.

Commission's position at debate : Verbatim report of proceedings, 19/20 January 1984, p. 353

Text of proposal adopted by EP : Minutes of 20 January 1984, pp. 65-69

5. Report by Mrs Scrivener on the proposal (COM(82)690 final) for a draft resolution on a second European Communities action programme on safety and health at work

As it stated at the plenary sitting, the Commission has no objections to raise to most of the amendments proposed by Parliament, which it is prepared to take into consideration. In view of the fact that discussions on the matter at the Council have reached a very advanced stage, it intends to press for the adoption of the amendments proposed by Parliament which it has accepted directly in the appropriate Council forums.

Commission's position at debate : Verbatim report of proceedings, 19/20 January 1984, pp. 325-6

Text of proposal adopted by EP. Minutes of 20 January 1984, pp 32-33

B. *Commission proposals to which Parliament proposed amendments that the Commission has not felt able to accept*

None

C. *Commission proposals in respect of which Parliament delivered favourable opinions or did not request formal amendment*

1. Report by Mr Barbagli on the proposals (COM(83)92 final) for :

- (i) a regulation amending Regulation (EEC) No 516/77 on the common organization of the market in products processed from fruit and vegetables and Regulation (EEC) No 950/68 on the Common Customs Tariff
- (ii) a regulation setting guarantee thresholds for certain products processed from fruit and vegetables
- (iii) a regulation adapting some of the rules in the 1979 Act of Accession in line with the change in Community rules on products processed from fruit and vegetables

Parliament presented certain criticisms concerning the Commission proposals but did not request formal amendment of the text.

Parliament's resolution contained fresh information to which the Commission is giving thought in the framework of its working parties and of *ad hoc* consultation.

Once this has enabled it to arrive at a more definite position, the Commission will inform Parliament what action it plans to take.

Commission's position at debate : Verbatim report of proceedings, 16 January 1984, p. 20

Text of proposal adopted by EP : Minutes of 17 January 1984, p. 13

2. Report by Mr Marck on the proposal (COM(83)586 final) for a regulation amending Regulation (EEC) No 652/79 on the impact of the European Monetary System on the common agricultural policy

The Council adopted Regulation (EEC) No 3604/83 on 22 December 1983. In this regulation the Council follows the parliamentary opinion as regards the use of the ECU for CAP purposes, but imposes a one-year time limit on such use (up to 31 December 1984). Thus it has not endorsed the position of the Commission and Parliament, who requested *permanent* introduction of the ECU for CAP purposes.

Commission's position at debate : Verbatim report of proceedings, 15/16 December 1983, p. 362

Text of proposal adopted by EP : Minutes of 16 December 1983, p. 53

D. *Disaster aid supplied since last part-session*

Emergency aid within the Community

Country	Sum	Reason	Distributed by	Date of decision
Greece	350 000 ECU	snow	government	3.2.1984

Emergency aid for third countries

Financial aid :

Niger	500 000 ECU	drought	government	20.1.1984
Swaziland	100 000 ECU	Hurricane Domoina	EEC Delegation	3.2.1984
Mozambique	1 400 000 ECU	drought	EEC Commission	6.1.1984
	200 000 ECU	drought	CEBEMO	6.1.1984
	100 000 ECU	drought	M.S.F. France	6.1.1984
	100 000 ECU	drought	CRIAA	6.1.1984
	500 000 ECU	Hurricane Domoina	EEC Delegation	7.1.1984

Food aid

Nil

SITTING OF THURSDAY, 16 FEBRUARY 1984

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IN THE CHAIR : MR PFLIMLIN

*Vice-President**(The sitting was opened at 10 a.m.)*1. *Approval of Minutes*

President. — The Minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

Mr Veronesi (COM). — *(IT)* Mr President, an official working with the electronic voting system told us yesterday that some of the terminals were out of order when we voted on the Spinelli report and that some of the votes were not recorded. We were assured that a clarification would appear in the Minutes today. I have had a good look but I cannot find it. Consequently, I should like to state that my fellow Members in our group, Mr Ippolito and Mr Rodano, voted in favour of the resolution and it should be put on record that they voted in this way.

President. — What you say is correct, Mr Veronesi. The Members involved can inform the Presidency of the votes they gave or wanted to give. This information will appear in the Minutes and in the report of proceedings. I would ask all the Members who were victims of this technical hitch to inform the Chair.

(Parliament approved the Minutes)

2. *Topical and urgent debate*
Middle East

President. — The next item is the joint debate on three motions for resolutions on the Middle East :

- motion for a resolution (Doc. 1-1420/83), tabled by Mr Gawronski and Mr Haagerup on behalf of the Liberal and Democratic Group, on the situation in Lebanon ;
- motion for a resolution (Doc. 1-1429/83/rev.), tabled by Mr Barbi and others on behalf of the Group of the European People's Party (CD Group) and Mr de la Malène on behalf of the Group of European Progressive Democrats, on the dramatic situation with regard to the Lebanese Christians ;
- motion for a resolution (Doc. 1-1423/83) by Mrs Wiczorek-Zeul and others on a Middle East peace initiative.

Mr Haagerup (L). — *(DA)* Mr President, the present situation in the Middle East is a source of both anxiety and sorrow to us. All attempts to set up a government of national unity in Lebanon and to bring peace to the country appear to have failed and we hear daily of new victims of the fighting in Lebanon. The

withdrawal, now under way, of units from the international peacekeeping force is an indication of the disastrous way the situation has developed ; but in the midst of the disappointment about the need to start withdrawing troops, it should not be forgotten that it had never been intended that these international troops should impose peace by force.

In the light of this situation, we in the Liberal Group considered it right that the Ten should look more closely at the French proposal to allow a UN force to replace the American, French, Italian and British forces in the Lebanon, a proposal which is being discussed by the UN Security Council at present. But if there is to be a UN force, it must also be in a position to gain respect — not to appear as an intervention force, but to be able to defend itself effectively against any attempts to prevent it from fulfilling its task. Meanwhile there is an ever-increasing need for a more specific Middle East policy on the part of the Ten Community countries, as far as possible of course in cooperation with the USA and exploiting the achievements towards peace arrived at through the Camp David process. The disappointments and the setbacks in the Lebanon should be an incentive to our ten Member States to arrive at a common Middle East policy within the framework of European political cooperation. There are intimations of this, and indeed a degree of optimism, in the proposal of Mrs Wiczorek-Zeul and Mr Purvis ; however, I will not conceal the fact that we would have liked to have had more time for a debate on the Middle East, because it is not possible, in the short time available for this morning's many urgent proposals, to have a satisfactory Middle East debate on the many points raised in the three proposals put forward. This — and only this circumstance — is the reason why my group put forward so simple and limited a proposal, and for this reason we are confident that the whole House can support it.

Mr Blumenfeld (PPE). — *(DE)* Mr President, in the face of dramatic developments this House is once again debating the situation in the Middle East — in this case mainly in Lebanon. All three motions for resolutions before us have one objective — to restore peace to this unfortunate country and to find a solution to the problem so that the killing of civilians, which has increased drastically in the past few months and years, may finally be halted. Civilians among all the religious groups are the victims of the civil war and of the hostile developments in Lebanon and the rest of the Middle East.

The purpose of our motion for a resolution is to make it known to the people of Europe and elsewhere that increasingly large numbers of Christian Maronites and Christian Lebanese have been falling victim to the latest political and military developments. Over the past months and years regret has often been expressed

Blumenfeld

— and rightly so — that casualty figures have been particularly high among the civilian Palestinians and among the Sunnis and other Moslem groups. But the fact is — and this is what we wanted to make clear — that the highest casualty figures are now among the Christians, the group from whom the Lebanese President is appointed. Hence our desire to make it clear to the general public that we in the European Parliament, and practising Christians in Europe, cannot abandon those in Lebanon who share the same or similar religious convictions. For this reason we wish to make it known to the Council of Ministers and to the leading figures not only in Syria but also, and primarily, in the Soviet Union and in the rest of the Islamic world that we shall not leave the Christians in the lurch.

And now two brief comments on the other two motions. We in the EPP Group are quite prepared to lend our support to Mr Haagerup's motion, but share the view expressed by Mr Haagerup himself that the voluminous motion for a resolution tabled by Mrs Wieczorek-Zeul and others raises a whole range of questions which we cannot deal with adequately in the short time available in a debate by urgent procedure. Since there are questions which remain unanswered, the EPP Group wishes to advocate a free vote on this issue. I myself cannot give my support to this motion.

Mrs Wieczorek-Zeul (S). — *(DE)* Ladies and gentlemen, I am speaking both on behalf of the Socialist Group and as chairman of the Delegation on Relations with the Gulf States.

Let me say right away that my group will be supporting the motions for resolutions by Mr Haagerup and Mr Barbi. I shall not be expressing any detailed opinions on these but shall be concentrating on the Delegation's findings last week in the Yemen Arab Republic, that is, in North Yemen. We requested this debate by urgent procedure because we considered these findings quite dramatic. Formal and informal talks with the Yemen Government and informal discussions with representatives of the PLO, including Yassir Arafat, left the delegation in no doubt that swift action is called for. That is the general feeling in the delegation, whose members represent the most varied shades of political opinion in this House. Mr Schall has been prevented from taking part in the Delegation's discussions on this point, and I would like to take this opportunity of wishing him a speedy recovery on behalf of this House. I feel sure that he would have liked to take an active part in this debate.

(Applause)

In all our talks the hope was expressed that the Community would take action quickly. We were told that Europe had a duty to resume its activities in the Middle East with a view to achieving a breakthrough in negotiations so that the unresolved conflict

between Palestinians and Israelis can be settled peacefully with Israel's frontiers secure after its withdrawal from the occupied areas so that autonomy can be achieved for the Palestinians and the question of their homeland can be resolved. We have become convinced that no lasting peace is possible in the Middle East unless the Palestinians are given the right of self-determination. We got the impression that there has been a marked change in the general attitude of the PLO. Israel's right to exist was recognized in the talks. We were told that a confederation with Jordan would be accepted as a preliminary step towards a Palestinian State and that one of the objectives of the talks with Jordan was to establish a Palestinian State on the West Bank following Israel's withdrawal.

We were given the impression that there has been a marked improvement in relations between Egypt and the PLO. Indeed, this has been made clear by Yassir Arafat's visit to Cairo and also by Mr Mubarak's visit to Ronald Reagan.

As we see it, Egypt intends to allow the PLO to take part in the talks on Palestinian autonomy, while the PLO appears interested in tacitly accepting parts of the Reagan plan as a basis for negotiations. In other words, for the first time in the Middle East it is becoming clear that areas of compromise are emerging in the plans on the Arab side — for instance, the Fez plan — and in the plans of the US Government, or the so-called Reagan plan. The delegation believes — and I am also speaking for my group — that we must act as quickly as possible in adopting a new or revitalized European initiative. We must take the opportunity of reconciling the various positions. To state the matter quite plainly, we all got the impression that if the political approach adopted by the majority of the PLO fails, majority opinions might change and the opportunity of permanently removing a cause of violence in this region will have been missed. We must act quickly, otherwise Israel will set up more settlements, and irreversible situations will be created. We do not expect the US to take any initiative during the run-up to the Presidential elections.

We therefore call upon the Foreign Ministers working in the context of European Political Cooperation to see to it that the Venice Declaration is at last given practical expression. One possibility — and we leave the various possibilities open — might be a new UN Conference on the Middle East including all countries and parties concerned, on the lines of the Franco-Egyptian initiative. But of course, any other form of discussion is also possible.

The aim of all such initiatives must be to get all those concerned to discuss a peaceful solution and to induce the US to exert vigorous pressure on Israel to accept at least the objectives of the Reagan plan. The aim is a peaceful overall solution. We can all see from the

Wieczorek-Zeul

example of Lebanon that piecemeal solutions do not work in the Middle East. It is important to draw up a comprehensive peace plan which takes account of the interests of all those affected. I therefore urge this House to support this motion for a resolution.

Mr Purvis (ED). — This group will support Mr Haagerup's resolution and the resolution by Mrs Wieczorek-Zeul, myself and others and allow a free vote on that by Mr Barbi and others.

The resolution tabled by Mrs Wieczorek-Zeul, myself and others does not add to, subtract from, or in any way amend the considered position on the Middle East adopted by this Parliament after much deliberation in the Penders resolution last year. It only seeks to point out that in the wake of recent events in Lebanon — and even tragedies like this may have their silver linings — an opportunity appears to be arising, a window of opportunity which may not endure long, to find a solution to the problem which underlies most of the dangers in the Lebanon and the Middle East situation: the twin issues of the Palestinians and of recognition of Israel's right to exist within secure borders. It therefore calls on the Foreign Ministers of the Ten in the context of political cooperation to grasp this opportunity and to take now a decisive initiative which will lead to a permanent solution of this heretofore intractable problem.

In the Penders resolution and all the other initiatives mentioned in the preamble, we surely have a basis for a solution which can be made acceptable to all parties. Europe cannot just sit on the sidelines. And that is why we ask the Foreign Ministers to take up their responsibilities urgently and contribute thereby to Middle East and world peace.

Mr Penders (PPE). — *(NL)* The situation has developed most tragically. At the end of 1982 we had every hope of seeing unity restored in Lebanon following the election of the President, Mr Gemayel. Perhaps the latest attempt to restore peace in Lebanon was overshadowed by Israel's attempt to vanquish the PLO, and perhaps Syria was also not considered sufficiently. Sadly, then, the attempt has failed.

What must be done now? Mr President, the right conditions for peace in Lebanon can only be established on the basis of a new formula to be worked out by the Geneva conference on reconciliation. Such a formula should take account of the legitimate interests of Syria.

Finally, Mr President, I shall be voting for the Barbi resolution and for the Haagerup resolution but shall be abstaining from voting on the Wieczorek-Zeul resolution. Why? Not because I do not regard its contents as valuable in a number of respects, but I do not think it right to debate such a vast and fundamental issue by urgent procedure, since this only causes confusion; and I greatly regret the fact that the resolution makes

no mention of the Camp David agreements or of the Reagan plan. I shall therefore be abstaining from voting on this resolution.

Mr Veronesi (COM). — *(IT)* Mr President, ladies and gentlemen, the three motions before us demonstrate how dramatic the political situation in the Middle East is. We shall support the motion which we signed, we shall abstain from voting on Mr Haagerup and Mr Gawronski's motion, and we shall vote against the PPE motion which appears, unintentionally perhaps, more likely to provoke confrontation rather than bring about peace.

The motion for a resolution signed by Mrs Wieczorek-Zeul and others seems to be the most balanced and politically the most sound, because it amounts to a non-partisan call for the Community to take positive steps in order to find a solution to this distressing Middle Eastern problem. It is not the intention of the signatories to add yet another document to the many already drafted and which have been followed by no positive action. On the contrary, it is a call for us to assume precise and specific responsibilities and not to be content with words.

Is the European Community, which in this Parliament yesterday reiterated its unifying role, to play a genuine part in achieving peace and stability throughout the world? If so, it must have the courage and find the initiative to take action and make an impression. The only action undertaken by some EEC countries has been the unfortunate establishment of the multinational force at the behest of an irresponsible American leadership.

Events have tragically proved that the time is ripe for Europe to cast off its uncertainty and its subordinate position in order to play its proper role. There are two basic problems: firstly, there is the question of Palestine, where today there seem to be definite possibilities for a just settlement for her unfortunate people, and this is the most important issue to be resolved and the one to be faced first; secondly, there must be peace in Lebanon with an end to political discrimination and the granting of equal civil rights to all ethnic and religious communities.

In the context of political cooperation, do the Member States of the Community want to face up to a question which is so important in order to achieve world peace — to face up to it responsibly, energetically, in full autonomy and yet in collaboration with all the forces involved? This is the question. If this does not happen, we shall have wasted our words once again, and Europe will once again have to face up to the fact that it has missed an opportunity to make itself heard and play the international role which is incumbent upon it.

Mr Beyer de Ryke (L). — *(FR)* Mr President, I would say that 'a seal pup is better off than a Leba-

Beyer de Ryke

nese'. This cruel truth comes to my mind as I think of the daily tragedy of this country of cedars as it is being massacred. All the fuss and emotion whipped up over the slaughtering of the seal pups dries up or becomes half-hearted as the Lebanese are killed.

Allow me to express my unease and anguish as I see the multinational force preparing to pack up and go. The multinational force went there. Its soldiers have been killed. And it is preparing to leave. At this rate we are heading towards a Middle Eastern Dien Bien Phu.

How are the allies of the West, in the Middle East and elsewhere, who are today witnessing how the legitimate government and Mr Gemayel are being left in the lurch, going to react tomorrow? Yesterday it was Iran, and we know what the outcome was. The desire to win an election is no excuse for acting in this way. America is retreating and capitulating to the Middle West voters. It pays in the short term, but may be suicidal in the long run.

There is talk of the United Nations possibly taking over the peacekeeping role. It appears, so they say, that Mr Chernenko has agreed to it as a magnanimous token of his new leadership. Spasibo, Tovarishch Chernenko! In other words: thank you, Comrade Chernenko! We are not always used to the United Nations being either impartial or effective, but the least we should do if the United Nations were to intervene — and here I am in perfect agreement with Mr Haagerup, who spoke just now on behalf of our group — would be to give them the means to do the job properly. The forces of the existing multinational force, or some of them — and I have France particularly in mind — ought to be a part of it. The forces of the United Nations ought to be entrusted with a broader mission, sufficiently well defined to ensure that they do not get shot at like the others.

Mr President, I shall quote an author whom, I am sure, you enjoy and appreciate: 'Men do not wish to die' said Pierre-Henri Simon, 'especially when it is for nothing and when they come home bringing with them their suitcases and their dead'.

(Applause from the right)

Mrs Castellina (CDI). — *(IT)* Mr President, I do not wish to go into the question of the problem of the Middle East, about which each holds his own opinion which, furthermore, may differ among those who this time joined in signing Mrs Wieckzorek-Zeul's motion for a resolution.

I too, have signed this motion for a resolution, even though I certainly have a different opinion from many other signatories on the ill-fated so-called multinational peacekeeping force in Lebanon, which is in fact a force of four NATO countries and therefore a dangerous portent of possible NATO intervention outside Europe, with all the hazardous consequences this would bring.

This force was called a peacekeeping force but if that were really to have been its aim it should have been a United Nations peacekeeping force; and if it has not been a force for peace it is because a negotiated solution by all parties concerned was not sought.

Finally, this force stood under the political shadow, from 17 May 1983, onwards, of the Lebanese-Israeli agreement, signed with the support of the United States of America, and which, above all in its secret annexes, really represents the crowning achievement of the Israeli invasion. It could therefore not constitute the basis for a lasting peace but only be a cause of further aggression.

Despite the fact that these remarks of mine will not find the agreement of others who have signed Mrs Wieckzorek-Zeul's motion, I have signed it, given it my support and voted for it, because I think it seems to constitute a reasonable basis for a possible joint initiative by this Parliament.

Above all, I would like to emphasize the reference to the need for a solution to the Israeli-Palestinian problem, as a basis for peace in the Middle East. The motion rightly draws attention to the need for an independent European initiative on the Middle East, as well as to Resolutions 242 and 388 of the Security Council of the UN, which have for some time been considered by the Palestinian people a basis for a solution to the problems; it rightly refers to the need for a United Nations presence — which is a totally different concept from the multinational force — and recalls the famous Venice Declaration, now unfortunately abandoned by the governments, but which I personally support as a basis for a possible European initiative and therefore worthy of being taken up again today.

Mr Eisma (NI). — *(NL)* Mr President, I am joining in this debate to state that in my opinion the motion for a resolution by Mr Barbi and others on behalf of the Christian-Democratic Group is very one-sided.

Of course Christian civilians have fallen victim to the violence in Lebanon; but the motion does not give due consideration to the situation of the other groups in the country. The Christian-Democrats have clearly forgotten that the long-standing supremacy of the Maronite Christians, a supremacy now no longer justified on the basis of population statistics, was historically a substantial factor in the origins of the Lebanese crisis. The Christian-Democrats have obviously also forgotten that the Maronite militia was responsible for the bloodbath in the Palestinian refugee camps.

Recital (c) of the motion for a resolution is another example of the almost paranoid obsession concerning Soviet power and presents the Lebanese Christians as the guardians of Western interests in the Middle East. Clearly, a separate vote will have to be taken on this recital in Mr Barbi's motion for a resolution.

Eisma

Mr President, one-sided resolutions like the one tabled by the Christian-Democratic Group do this House no good, nor, I feel, do they help the people of Lebanon. I trust, therefore, that this motion for a resolution will be rejected and that support will be given to the constructive resolutions of Mrs Wieczorek-Zeul and Messrs Haagerup and Gawronski.

Mr Ephremidis (COM). — *(GR)* Mr President, there is no doubt that we all feel moved, as well as afraid for the cause of peace, at the events in Lebanon today, events which are affecting the Lebanese people in general and not, as a number of motions, making an unacceptable distinction, have stated, only the Christian population. In Lebanon people are being killed on both sides, and now sons of the Italian, the French and the English peoples are being killed as well in the name of the so-called peacekeeping force sent to Lebanon.

As far as we are concerned, Mr President, the problem is that the Lebanese question is only a part of the more general problem of the Middle East and its long years of crisis. At the heart of this problem, as you all know but do not wish to acknowledge and adapt your policy accordingly, is the non-recognition of the inalienable rights of the Palestinian people, the failure to apply the repeated United Nations' resolutions on this question. Instead, you have joined in encouraging the hegemony of the United States, who imposed the Camp David Agreement, since when instead of peace we have had slaughter and confusion. The United States then imposed the Israel-Lebanon Agreement which, instead of providing a solution, complicated matters still further. Therefore, Mr President, if Parliament wishes to make a real contribution today, it must face up to reality. Each Member State individually, as well as the Community as a whole, must intervene to ensure that the United Nations takes charge and sends its own forces there, following the withdrawal of the American ships and planes that have been bombarding unarmed civilians and the withdrawal of Israeli forces from southern Lebanon.

Mr Alexiadis (NI). — *(GR)* Mr President, I shall not take up your time with the Lebanese question as a whole, which is anyway part of the broader problem of the Middle East. I have always been in favour of the legal and de facto recognition of the State of Israel without denying the Palestinians the right to self-determination, which they must indeed be granted in the near future, for the longer we delay in finding the necessary solutions the more complicated the problem will become. What I am concerned about today is the problem of the Lebanese Christians, who are threatened with annihilation. As a Greek I have a legitimate interest in this question, because Greece has in the past shown great concern for the Lebanese Christians. In 1860, when they were again in danger of being massacred by enraged Moslems and France sent warships to protect them, Greece, small as it then was,

sent two warships of its small fleet to support France in this humanitarian mission. Accordingly, as a Christian and a Greek, today I am again obliged to add my voice to the pleas in favour of the Lebanese Christians and to call for the adoption of the motion tabled by Mr de la Malène and others.

President. — The debate is closed.

*Vote*¹

Free movement in the Community

President. — The next item is the joint debate on two motions for resolutions on free movement in the Community:

- motion for a resolution (Doc. 1-1398/83), tabled by Mr Gawronski and others on behalf of the Liberal and Democratic Group, on the free movement of persons, goods and services in the Community;
- motion for a resolution (Doc. 1-1422/83), tabled by Mr Bocklet and others on behalf of the Group of the European People's Party (CD Group), on goods processing at the frontier post on the Brenner Pass.

Mr Delorozoy (L). — *(FR)* Mr President, ladies and gentlemen, the free movement of persons, goods and services is one of the basic principles of the Community.

Unfortunately reality is still often different. The motion for a resolution by our group relates to a specific point regarding restrictions on the free movement of currency, and especially the restrictions on the use of credit cards.

We refer to a judgment of the Court of Justice of the European Communities in Luxembourg, which on 31 January last gave a ruling on Article 106 of the Treaty of Rome as to whether, when residents of one of the ten Member States travel to another Member State, taking currency with them, the movement is to be considered in the context of the transfer of capital and so make them liable to restrictions or whether, on the contrary, it is a simple matter of taking money to pay for the services which the travellers might use in the country to which they are going.

The Court was categorical: it confirmed the freedom to provide services and to pay for services. The transfer of currency in question is a matter of current payments and not a financial operation falling under the heading of capital movements. It should therefore be possible to transfer money easily throughout the ten Member States, even in banknotes and, of course, by using credit cards, the Member States having the power to submit transfers of currency to inspection to verify that they are not capital movements.

¹ See Annex I.

Delorozoy

Consequently, taking into account the time of year, we consider it necessary to urge some of the Member States to amend the existing currency regulations which are inconsistent with the rules of the Treaty and, in particular, to lift immediately any restrictions on the use of credit cards for the purchase of goods and services throughout the Community. It is also the reason why, lastly, we ask the Commission to intervene without delay so that such restrictions on credit cards are lifted immediately.

Mr Bocklet (PPE). — *(DE)* Mr President, ladies and gentlemen, for over 14 weeks the transport of goods over the Brenner Pass, the most important pass linking north and south in Europe, has been held up in an intolerable way. Every day there are queues of up to 1 000 lorries. They have to wait as much as 20 hours for clearance, and more at weekends. Fresh milk from Bavaria turns sour and fresh fruit and vegetables from Italy go rotten. Orderliness has gone by the board. Millions of German marks and thousands of millions of Italian lire are being lost to producers, transport companies, consumers and thus to the European economy. The drivers have to wait around in conditions which are inhuman from the point of view of hygiene and of what is expected of them as workers. The most important principle of the Community — free movement of goods — exists only on paper at the Brenner Pass.

What can the millions of people who use the Brenner Pass every year think of a Community which is not even able to ensure that its frontier traffic runs smoothly? On 1 December of last year the Council of Ministers, acting with Parliament's full support, adopted a directive to ease the controls and formalities relating to the transport of goods between Member States. The explanatory statement includes the following comments:

'Waiting times can be reduced by improving the organization of the checks and formalities justified on the basis of Community Law. Care should also be taken to ensure that Member States do not introduce further checks and formalities which render the measures to ease frontier traffic ineffective.'

In reality the situation is completely different. In autumn of last year the Italian authorities introduced, hurriedly and without preparation, the cabin clearance procedure, which is the main cause of the present intolerable situation. According to this, lorries are driven up to a cabin for immediate clearance, but if the customs officer finds that the accompanying documents are not entirely in order or if he has any questions to ask in his office, he has to leave his cabin. Meanwhile, the lane is blocked and everyone has to wait until the official returns. If we consider that about 2 000 lorries cross the Brenner Pass every day in both

directions, we can well imagine the havoc created by such a procedure. We can also understand why the Italian customs officials reacted to this situation and to the stress it caused by going on strike.

The Italian Government has since promised a return to the normal clearance procedure in the existing clearing houses. So far, however, nothing has been done. Reinforcement customs officers from Rome have been moved up and are now at the Brenner Pass. However, these officers are not engaged in customs work. This morning, therefore, there were still about 300 lorries at the Pass, and these have had to wait five to six hours for clearance. Moreover, because there is still no control of traffic on the approaches to the customs offices, lorries are getting in each other's way.

In view of this situation which has persisted for many weeks, we urge the Commission and the Italian Government in all earnestness to take steps to ensure that these obstacles are removed forthwith and that contact is established with Austria on this matter. One final comment: the usual frustration felt at customs posts is one of the things which has killed enthusiasm for the European ideal.

(Applause)

Mr van Hassel (PPE). — *(DE)* I have basically nothing to add to the dramatic descriptions of conditions at the Brenner Pass linking Austria and Italy. Each of us can affirm from his own information that the descriptions are certainly no exaggeration.

I wish to mention another aspect of this problem because I feel that, besides the problems normally encountered, we should also find a solution to the frequent strikes not only at the Brenner Pass but also at other Community frontier posts when customs officers are involved in a national dispute, whether over working hours, pay or social conditions, etc. When such a strike breaks out, the frontier is closed and the long trail of lorries — as well as cars — grows even longer, and at Christmas thousands can be held up. We all know how distressful it must be to be delayed over Christmas until someone is kind enough to let us through. From the economic standpoint, we can imagine the financial losses sustained for every hour a lorry is kept waiting at a frontier. It could be 100 ECU per hour for each lorry, or perhaps less — though probably more. This places an added burden on the economy, thus impeding the free movement of traffic in the Community, and it is the consumer — whom we here represent — who foots the bill!

I therefore request that frontiers be kept open during strikes. I would also ask the 81 Italian Members present here to consider how much their country would benefit from a freer flow of traffic — and not only of commercial traffic. I also call upon them to give their support to this view in Rome. It is in your country's interest!

Mr Moreland (ED). — Mr President, my group supports all three resolutions. But I want to emphasize a number of points in relation to Mr Bocklet's proposal. The first is that I think one should not assume that this is necessarily an exceptional situation. In general the Italian border is a bad border to cross and there needs to be improvement.

Secondly, it is not just a question of German-Italian transfrontier traffic — it affects all of us. If I may give an example: I travelled in a lorry from London to Milan during the summer, taking six days there and back. We spent 18 hours waiting at borders and in clearing-houses, and the majority of those 18 hours were in fact on the Italian border and in the Italian clearing-house.

Thirdly, I want to add to what Mr Bocklet has said, because what he ought to have said was that in addition to going through that border, the lorries have to go on to a clearing-house and they can be delayed not just for hours but for days at those clearing-houses. Indeed, when I was there, surprise, surprise, we were delayed by an industrial dispute! So this really is a very serious situation which I hope the Commission will take seriously because, in particular, it is very wearing on the drivers — I don't think you should underestimate the strain on the drivers — in just having to hang around at the borders in addition to doing their driving during the day. So I hope that the Commission will take this seriously and, as Mr Bocklet said, our Italian colleagues will take this back to their government.

If I may say one minor word of criticism to our West German colleagues: let them not think that they themselves don't create some of the difficulties. I have continually preached against the permits that are needed and the checks on the permits at the border. A lot of time at the border is taken up in checking the permits, and it was the West German Government that unfortunately vetoed change on this at the last Council. So a lot of us need to change our minds on this.

Mr Ortoli, Vice-President of the Commission. — (FR) I will reply to the first question by telling you that the Commission is studying the implications of the judgment of 31 January. This judgment was made barely a fortnight ago; consequently we have not been able to complete our study. As Mr Delorozoy reminded us, it is a matter of seeing how far the restrictive measures applied by some Member States go with regard to payments relating to tourism, and I would like to join him in saying that it is very important that the Court should have declared that Article 106 of the EEC Treaty is directly applicable. Furthermore, it means that the Commission does not have to propose any harmonization or special measures. Direct application is provided for in the EEC Treaty. Therefore we shall continue this study, which we also judge to be of great importance, and I hope that very

soon I shall be able, on the one hand, to propose the necessary measures to the Commission and, on the other hand, to inform Parliament.

Mr Contogeorgis, Member of the Commission. — (GR) Mr President, I should like to refer to the Brenner Pass and to Mr Bocklet's motion for a resolution on the subject.

As soon as it became aware last December that an unpleasant situation had arisen at the Brenner Pass, the Commission approached the central administration of the Italian Customs, which informed us that direct measures had been taken and that the situation had returned to normal. However, last week the Commission was informed once again that there were new difficulties, and last Thursday and Friday the Director-General of the Customs Union Service himself contacted his opposite number in Rome to examine the situation. According to the information provided by the Italian Director-General of Customs, last week's strike by lorry drivers, as a result of which traffic was brought almost completely to a halt, had not been confined solely to the Brenner Pass but had extended to the whole of the Italian border. The main causes of this strike, according to the information given by the Italian authorities, had for the most part nothing to do with the activity of the customs. The strike occurred because of problems connected with transporters' incomes and the increase in taxes on fuel. Still according to the information provided by the competent Italian authorities, once the transporters had obtained the necessary assurance from the Italian Minister of Transport, the strike ended.

Mr President, I should like to make two points. At this narrow mountain pass which links the Community with a non-member country, customs controls have been simplified as far as possible, but they cannot be abolished altogether. It should be noted that recently the amount of traffic through the Brenner Pass has increased considerably, and since the motorway was opened it has taken about 50% of international goods traffic to Italy. There are many reasons why the volume of goods traffic varies. On the one hand, it fluctuates considerably according to times and days, and on the other hand, it is influenced by the situation at the other major Alpine passes. For these reasons and in order to overcome the difficulties, the Italian authorities years ago transferred the customs controls to the plain, since the Brenner Pass does not offer any great practical facilities. Unfortunately, however, they noticed that many vehicles, once they had crossed the border, did not pass through the customs checkpoint about 15 km inside the border, and so there was a great deal of smuggling going on. In view of this, the Italian authorities transferred the checkpoint back to the Brenner Pass, which, as I have said, is narrow and can only cope with a limited throughput of vehicles. At peak times, in fact, there is a tailback of traffic despite the improvements which have been made, particularly the setting up of control

Contogeorgis

booths at the same height as lorry drivers' cabs. Such tailbacks impede the flow of trade. Furthermore it is well known that recently five new lanes were opened for entry into Italy, with an emergency lane for use in case of difficulties. It is estimated that these measures will permit a 50 % increase in the flow of traffic and, consequently, to reduce the tailbacks.

Mr President, as far as its responsibilities are concerned, the Commission is in constant contact with the Italian authorities and is looking into all the solutions, including those involving customs procedures and likely to help to improve the situation. It was thus agreed with the Italian authorities that representatives of the Commission should soon go to the Brenner to see the progress which has been made and to seek solutions to the outstanding problems.

Mr Purvis (ED). — Can I point out to the Commissioner that it is not his job to make excuses for Member States but to uphold the Treaty of Rome and the right of free movement? Could I suggest that Mr Contogeorgis goes tomorrow to the Brenner Pass to see what can be done to improve the situation? Perhaps his presence there would have a lightning effect!

Mr Bocklet (PPE). — (DE) Just one question to put to the Commissioner, Mr President. According to his statement there should be no problems at the Brenner Pass because the Italians are supposed to have done everything. But there have been problems for weeks now, and all I am asking is for the Commission to do its job properly. I should like Mr Contogeorgis to be allowed to speak again so that we can have an appropriate clarification of the matter.

President. — I am sorry, Mr Bocklet, but this is a topical and urgent debate. We cannot start the debate again.

Mr Chambeiron (COM). — (FR) I should like to prevent the European Parliament from voting on a text that says there is a border crossing between Germany and Italy. I am sorry, but Austria has existed since 1945.

President. — If there is a mistake in the text it will be corrected, since it is of course an error of fact.

The debate is closed.

*Vote*¹

IN THE CHAIR: MR ESTGEN

Vice-President

Human rights

President. — The next item is the joint debate on eight motions for resolutions on human rights:

— motion for a resolution (Doc. 1-1441/83), tabled by Mr Frischmann and others on behalf of the Communist and Allies Group, on the International Day for the Elimination of Racial Discrimination;

— motion for a resolution (Doc. 1-1410/83/rev.), tabled by Mr Flanagan and Mr Lalor on behalf of the Group of European Progressive Democrats, on Father O'Brien;

— motion for a resolution (Doc. 1-1426/83), tabled by Mr Ryan and others on behalf of the Group of the European People's Party (CD Group), on the legal proceedings against Father Niall O'Brien, Brian Gore, Vincent Dangan and six others;

— motion for a resolution (Doc. 1-1438/83), tabled by Mr Maher on behalf of the Liberal and Democratic Group, on Father O'Brien;

— motion for a resolution (Doc. 1-1431/83), tabled by Mrs Théobald-Paoli and others on behalf of the Socialist Group, on the expulsion from Chile and bringing to trial of the ex-Nazi, Walter Rauff, who was responsible for the murder by gassing of 97 000 civilians;

— motion for a resolution (Doc. 1-1439/83), tabled by Mr Chambeiron and others on behalf of the Communist and Allies Group, on the expulsion of Walter Rauff;

— motion for a resolution (Doc. 1-1433/83), tabled by Mrs Dury and others on behalf of the Socialist Group, on the Banyarwanda refugees in Uganda;

— motion for a resolution (Doc. 1-1434/83), tabled by Mr Jaquet on behalf of the Socialist Group, on human rights in Iran.

Mrs Le Roux (COM). — (FR) I speak on behalf of my friend Georges Frischmann who was unable to be present.

Racism has given rise to the most hideous crimes in history. Employed by some political forces, it acts on the lowest instincts and is used to corrupt, divide, and finally, to crush human lives. Racism is not an opinion, but rather an offence which calls for legal sanctions.

Faced with the very serious re-emergence of various forms of racial discrimination in Europe, the Communists and Allies consider it absolutely necessary to alert once again the governments and all public authorities so that a real stop can be put to any trend towards or any popular demonstration of racist ideas.

¹ See Annex I.

Le Roux

Exposed to mean attacks designed to sow a climate of insecurity as regards its very existence, the foreign population living in our countries, particularly that from northern Africa and Turkey, must enjoy the active solidarity of non-racists. The fight against racism must be waged firstly on an economic and social level, creating everywhere the conditions for truly equal treatment and equal rights for all workers and their families legally resident in our countries. This applies in particular to housing conditions.

In the fight against racism the law must be applied in all its rigour in order to punish severely any demonstration of racism. In this context, our countries could try to harmonize their legislation on the repression of racism. Anti-racist organizations could obtain the general right to bring a civil action in all cases of discrimination, incitation to hatred and racist violence.

To conclude, I would like to emphasize the positive contribution which our States could make by permitting children and young persons to learn about and benefit from the various differences in cultural identity. This was the intention of my friend Georges Frischmann and my group in presenting a motion for a resolution which calls on the Member States to mark 21 March, declared by the United Nations as the International Day for the Elimination of Racial Discrimination, by taking various measures.

Mr President, we would be very interested in hearing about the actual steps taken by the governments in response to this.

Mr Lalor (DEP). — Mr President, a citizen of Ireland, Father Niall O'Brien, with two priest colleagues from Australia and the Philippines and six other natives went before the courts in the Philippines on 7 February this year. As far as he was concerned, the verdict was signed, sealed and delivered 18 months ago. When the people of his parish complained to the military commander about the brutality of his troops, Father O'Brien was able to produce evidence to prove this thus showing his opposition to the methods of the military regime, and for this he is doomed to pay a very heavy price.

Within weeks, Colonel Hidalgo announced that Father O'Brien was to be charged with the murder of not just one, but five individuals. It is felt that President Marcos has two motives for this accusation. Firstly, to offload the blame for the military style murders and, secondly, to discredit the Catholic Church.

In an attempt to divert world attention from the trial, the hearings have been postponed over a number of weeks. As of now, the trial is fixed for next Thursday, subject, again, to the backdoor 'suitable venue' escape route. The judge who is presiding over the trial has already made it perfectly clear that he favours a

verdict of guilty. He has already studiously ignored documentary evidence that Father O'Brien was 340 miles away from the Island of Negros at the time of the murders. Under these circumstances there is an acute fear that Father O'Brien will be found guilty of a crime that he did not commit.

The people of Ireland and the Group of the European Progressive Democrats are deeply concerned about the fate of Father O'Brien and the other eight people being charged with these murders. On 9 February we made a formal, personal presentation to the Philippines Ambassador in Paris, during which we expressed our concern that there would not be a fair trial. The Ambassador took note of that concern and promised to convey it to President Marcos.

I want this morning, Mr President, to ask this Parliament and the Foreign Ministers of the Ten to press for the immediate release of Father O'Brien and his innocent co-defendants.

Mr McCartin (PPE). — Mr President, I want to commend to the House the revised motion on the subject of Father O'Brien, an Irish priest in the Philippines. Mr Lalor has spoken about the trial, and the facts he has given agree with my understanding of the situation. I should like to give a few background facts on the case.

The events surrounding the charge are rather unusual. The position is that in 1981 church authorities in the Philippines brought legal proceedings against the Mayor of Cabancolon, Pablo Solo, following the discovery of seven bodies on his farm. The bodies were those of local church workers who had been taken away by armed uniformed men in 1980. They were never seen alive again. The legal proceedings failed, and the Mayor was allowed to go free. After the proceedings, the son of a prosecution witness was found beheaded. In March 1982, Mayor Solo, two policemen, his companion and a driver were killed in an ambush, responsibility for which was subsequently claimed by the New People's Army, a Marxist guerilla group. In October 1982, charges relating to the murder of Mayor Solo were prepared against Father Niall O'Brien and another priest, Father Gore. In February 1983, charges and subpoenas were issued to Father O'Brien, two other priests and six lay workers. A bail hearing was held on 6 July 1983, but judgment was not delivered until 24 January 1984 and contained the comment referred to by Mr Lalor that the imposition of capital punishment might well be justified. The case has given rise to widespread concern in Ireland, where Father O'Brien comes from, and also in Australia, the country of Father Gore.

It is generally felt that these priests, who were engaged in pastoral work, are caught up in a situation that is not of their own making. I, on behalf of the EPP Group, sincerely request Parliament to pass the resolution before it, asking the authorities in the Philippines

McCartin

to bring to a speedy and just conclusion the proceedings against Father O'Brien and the other priests and the lay people who are charged with them.

I might say that grave concern has already been expressed on behalf of the Irish Government, by an Irish Minister in our Parliament and also by members of the opposition. It might further be noted that Father O'Brien had the opportunity to leave the country and go free, but he was quite unprepared to do this, since he felt that his innocence should be established and he should stay with the other church workers who are in a similar position.

Mr Maher (L). — Mr President, the Members of this Parliament will appreciate that in a situation like this, where a trial is being carried on under a totalitarian regime there is little that can be done by the accused, or, indeed, by public feeling or public opinion inside that particular country. The only hope is that other countries or international institutions, for example the European Parliament, are prepared to come out publicly and insist that justice be done and a fair trial given to Father O'Brien and the other accused, in order that their innocence be established.

I think there is enough evidence to suggest that they are innocent. Men like these who carry out their priestly duties and also engage, as I think is consistent with their priestly duties, in humanitarian work, in improving the social and economic life of their flock, are often open to attacks from a regime such as that of Mr Marcos. There is indeed evidence over the last week to suggest that a particular individual — a farmer in that region who apparently was prepared to give evidence that Father O'Brien and the others were not in the place where the murder was committed at the time — was himself subjected to harassment and even to torture. That has yet to be proved. I accept that. But I do re-emphasize the point that it is exceedingly important that this Parliament comes out very clearly and insists on a fair trial so that innocence can be proved. Otherwise, there is little hope for these people going before judges who, as has already been said, appear to have their minds already made up.

Mrs Théobald-Paoli (S). — (FR) Mr President, ladies and gentlemen, you know that at the end of the Second World War hundreds of high-ranking Nazis, who were responsible for heinous crimes against humanity, fled Europe unpunished, thus fleeing from the justice of democratic peoples. They found refuge mainly in some countries of the Middle East, in particular Syria, and above all in Latin America. There, using false identities, they integrated into the existing German communities, often protected by the dictators in power, whom they advised and encouraged in the ways of torture and crime, and attempted to regain respectability. A flagrant insult to the millions of fami-

lies assassinated or destroyed, they live today a peaceful, comfortable, even luxurious existence in these countries.

One of these, Walter Rauff, the inventor and SS colonel responsible for the mobile extermination trucks, is in refuge in luxury in Santiago in Chile, having recently been located by Mrs Klarsfeld. Forgive me if I recall these atrocities, but between 1942 and the end of the war, in occupied Europe, the Nazi Rauff was responsible for piling together in trucks 200 000 living persons — men, women, children, old people — whom he smothered and asphyxiated by means of atrocious inventions and refinements, in the name of the theory of race. Under German law he is responsible with certainty for 97 000 of these crimes. International ethics and law require that Rauff answer before a democratic tribunal for the imprescriptible crimes which he has committed against humanity. Our conscience cannot be at peace if this individual remains at liberty.

The Member States must intervene energetically with the Chilean authorities so that they prevent Rauff from escaping, arrest him and hand him over to international justice. In this we must call on the backing of all those who claim to support fundamental values.

In voting in favour of this resolution, Parliament will make the Chilean leaders responsible for the presence of Rauff on their territory. If they shirk this obligation or that of the expulsion requested, they will have to render account of this ignoble complicity at the hour of reckoning, which will not fail to strike for them.

Mr Chambeiron (COM). — (FR) Mr President, the crimes committed during the Second World War by the SS and the Gestapo, not forgetting moreover their accomplices in the occupied territories, roused such horror in the universal conscience that despite the elapse of about forty years, the demand for a just punishment is as alive as ever.

I emphasize the fact that it is a question of justice. None of those who were confronted with the events of that time or who suffered from them — let me say that I know what I am speaking about here — have ever confused vengeance and justice. By declaring crimes against humanity imprescriptible, the international community wanted to ensure that the perpetrators of such crimes would be punished, wherever they were and whatever time had elapsed. By escaping their judges, the war criminals must know that they are not and never will be safe, nor do they believe that their crimes will be forgotten. Furthermore, knowledge of Nazi crimes can help those generations which have not experienced them to safeguard values such as liberty and human dignity, to guard against the resurgence of such doctrines of death and to prevent them being taken lightly.

Chambeiron

The presence in Chile of the former SS Colonel Walter Rauff, who is responsible for the bestial murder of hundreds of thousands of innocent people, has been denounced by the whole democratic community. Two countries have applied, without success, for his extradition.

The resolution of the Communist and Allies Group proposes Community initiatives to help in the active search for and judgment of the authors of these crimes; it calls on the Ministers for Foreign Affairs, united in the framework of political cooperation, to take steps towards this end.

Furthermore, our motion for a resolution is akin to that put forward by our Socialist colleagues. This is why together we have proposed a compromise amendment which will replace the two original texts, drawn up in the same spirit. We have no doubt that the European Parliament will adopt this amendment, thereby showing its determination to see to it that no person guilty of crimes against humanity escapes the punishment which he deserves.

(Applause)

Mr Glinne (S). — *(FR)* Mr President, just a few days before the meeting of the EEC/ACP joint committee in Brazzaville and despite the large number of situations in Africa which beg our philanthropic concern, fellow members from the Socialist Group and I thought it timely to draw Parliament's attention to the very special case of Banyarwanda refugees. These refugees have been settled since the events of September 1982 in numerous countries around Uganda, as far as and including Zimbabwe.

Since the events to which I allude, the state of insecurity within the Ugandan territory *vis-à-vis* the Banyarwanda has in no way changed, and since the EEC enjoys proper relations with the surrounding countries, as well as with Uganda itself, we thought it a good idea to urge the Commission and the Council of Ministers to intervene with the governments concerned, and also with the High Commission for Refugees, with a view to continuing as far as possible the assistance granted to the camps of Banyarwanda refugees outside the country, assisting as far as possible the Banyarwanda who remain in Uganda, and also taking maximum precautions to ensure that the aid intended for these populations reaches them.

Finally, Mr President, it is necessary also to take care that as soon as possible, once circumstances permit, these populations in difficulties are definitively resettled in their region of origin.

President. — We now proceed to the motion for a resolution of Mr Jaquet. However, since he is not present, I call on Mr Glinne to take the floor again.

Mr Glinne (S). — *(FR)* This is not the first time that the European Parliament voices its concern regarding the human rights situation in Iran.

Alas, we are forced to observe that despite our initiatives and many other efforts, the human rights situation continues to deteriorate tragically.

Fundamental rights are flouted on a continuous and daily basis; one sign of this is the increasing number of Iranians forced to leave their country to escape summary execution, torture, arbitrary imprisonment, in short, a whole series of measures depriving them of liberty.

For this reason we wish that once again Parliament will condemn repression and the systematic manner in which it is applied in Iran; we want Parliament to call on the Council and the Ministers for Foreign Affairs to do everything, by using their authority and making their voice heard within the appropriate bodies, to put an end to this situation. We also want to ask the Member States to facilitate the granting of visas and the granting of refugee status to unfortunate Iranians who are obliged, despite themselves, to leave their national territory.

Mr Treacy (S). — Mr President, I rise to speak on the imprisonment and trial of Father O'Brien, his fellow-priest from Australia and others, a trial which has disturbed the conscience of the civilized world. It seems right that this Parliament, embodying as it does the cradle of European civilization, the fount of democracy and the great defender of human rights and liberties, should come to the aid of these men in their hour of peril.

They did nothing more than preach the gospel of Christ, of love, charity and justice and the dignity of the human person. Their imprisonment and trial has all the ingredients of a deliberate frame-up: the accumulation of false witnesses, tortured, threatened and bribed, a packed jury and the judge committed to pass down a sentence of guilty despite the fact that the accused were far, far away from the scene of the crime. They are as innocent of the guilt of murder as the unborn child.

I am proud to be associated with this solemn resolution, signed by so many distinguished parliamentarians. I am prouder still of the united stand of my Socialist colleagues on this vital issue, this flagrant travesty of justice. For us on these benches, poverty, injustice and human suffering anywhere in the world constitute a threat to freedom, peace and happiness everywhere. The plight of these men of goodwill and compassion for a downtrodden and oppressed people is so grave that I would urge you, Mr President, to investigate, as a matter of great urgency, the feasibility of sending a representative of this Parliament to be a witness at this trial and to hold a watching brief for the people of Europe and thereby ensure that justice is not merely done, but is seen to be done. I would further call on the Ministers meeting in political coop-

Treacy

eration to take all possible steps to bring about the immediate release of Father O'Brien and his colleagues.

In conclusion, the Marcos regime in the Philippines is notorious for its internal oppression and the suppression of human rights and liberties. It is right, therefore, that this Parliament should speak out clearly and fearlessly against such injustices.

(Applause)

Mr Fernandez (COM). — *(FR)* Mr President, as you know, we have a principle of not voting on motions for a resolution which do not concern either a Community country or a country with which the Community has close relations.

Despite this, we wish, in the framework of this debate, to express our agreement with the spirit of the text proposed to us, to express likewise our indignation at the repression in Iran, directed both against the Toudeh communists and against other democrats, and to express our complete solidarity with all patriots pursued in that country.

Last month already, we asked President Dankert to intervene *vis-à-vis* the Iranian authorities to save the lives of the five important Toudeh personalities who were tried under the conditions of which we are aware.

We asked also that the rule of justice promptly be restored in that country, where the reign of the state of law has been abolished in favour of a bloody arbitrary rule.

Mr Nordmann (L). — *(FR)* Mr President, 'the homage that vice pays to virtue', is, as we know, the way that La Rochefoucauld defined hypocrisy some 300 years ago.

I wonder if this is not material for a definition of anti-racism at the present time. Of course we must encourage all information measures condemning racial discrimination! But only on condition that anti-racism is not used selectively by partisans, as is often the case with those centres specialized in misinformation, who concentrate on some targets, which are unfortunately only too evident, but who carefully refrain from mentioning the discrimination which is rampant in some countries of the Third World and in the countries of the East.

The United Nations bodies have, unfortunately, become the instruments of this anti-racism of variable geometry. And you know how much Unesco's prestige has declined as a result. I listened with interest to Mr Fernandez condemning the excesses of Moslem fanaticism. I do not despair of hearing him, some day, condemn the persecution to which the Jews in the USSR are subject. Above all I hope that there will be

an end to the misappropriation of good feelings and of anti-racism, which sometimes bears too much of the blame.

Mr Tugendhat, Vice-President of the Commission. — Mr President, this has been a long debate for a Thursday morning and it has covered a variety of important topics. Some of them go back to the Second World War, some of them go as far afield as the Philippines, but what they all have in common, of course, is the denial of human rights and, worse than that, the murder and maltreatment of individuals.

It would be superfluous for the Commission to repeat the arguments which have been made. I would only like to make it quite clear that the Commission, for its part, and I certainly, for my part, have the greatest possible sympathy with what has been said, both about the contemporary problems and about the problems which date back to the period of the Second World War. Some of those who perpetrated the crimes talked about today are, of course, still alive and still outside the bounds of justice and ought to be brought within.

Mr President, I would only like to make one final comment, and that concerns the motion for a resolution by Mr Frischmann and others. The Commission will not be launching any special initiatives on 21 March to mark the International Day for the Elimination of Racial Discrimination. We shall, however, be producing within the next couple of months a communication on the whole question of migration and the social integration of migrant workers and their families. It is precisely the growing threats and outbreaks of racial discrimination in the Community, undermining as they do the democratic ideals for which the Community stands, which make it so urgent for the Commission to present its position on the wider aspects of migration policy.

Mr President, that is all I wish to say, but I would wish to underline our solidarity with the feelings expressed so movingly this morning.

President. — The debate is closed.

*Vote*¹

Unemployment among women

President. — The next item is the motion for a resolution (Doc. 1-1427/83), tabled by Mrs Lenz and others on behalf of the Group of the European People's Party (CD Group), on unemployment among women.

¹ See Annex I.

Mrs Lenz (PPE). — *(DE)* Mr President, unemployment among women is no 'token entry' in the cold statistics presented to us concerning the dramatic developments on the European job market. Since 1975 it has increased by over 15% more than unemployment among men, and in 1982 the percentage of women out of work in the Community reached 40.5%. But women account for only 36% of those in employment. In one country — let us say Belgium — this means that 53% of women are out of work. The situation of young women is even more serious, for in 1982 54% of women under 25 were jobless. Record levels for unemployment among young women have been set by the Netherlands, Luxembourg and Great Britain, with figures of around 74%, 73% and 66% respectively.

This problem has raised its head fairly clearly in almost all the reports which this House has discussed over the past weeks and months and which have had to do with employment, unemployment, working hours, the family, the European Social Fund and women. Many of these have focused specifically on the particular problems of working women with families. This is a subject which I shall not, therefore, be going into.

However, the purpose of our motion for a resolution is to give a further clear reminder of this problem, which, in view of the number of people affected, ought to be top on the list of the Community's priorities.

We are therefore pleased that the French President of the Council has accepted our group's proposal to hold a special meeting of the Employment Ministers on this matter on 8 March. We earnestly appeal to the Ministers to find a way out of these problems and to strengthen cooperation. Proposals must not be subject to any constraints but must take into account the well-being of the individual and the possibility of using his — or rather her — ability, knowledge and versatility and of protecting the individual through social security, while giving equal consideration to the hazards and dangers of new technologies. I also feel that it is as important to try to provide new training facilities as it is to adjust working hours, to organize various kinds of employment and to consider the effects of long-term unemployment, a problem keenly felt by jobless women and their families.

Obviously the best remedy is to revitalize the economy and give a boost to the regions and the various sectors of industry with a view to creating safe jobs. Then women would also find work. We therefore appeal, in all earnestness, to the Council of Ministers and the Commission to regard the social requirements of the Treaties of Rome as binding obligations, to consider accordingly the proposals which we have made this week in our debate on a motion for a resolution, and to meet the challenges of the future both for ourselves and for those we represent.

(Applause)

Mrs Wieczorek-Zeul (S). — *(DE)* Ladies and gentlemen, we were somewhat surprised that an application for a debate by urgent procedure had been made for this motion for a resolution, since we stated our general position with regard to this matter at the last part-session, and the decisions taken on the report on women of course continue to apply.

(Applause)

We feel that the problem of unemployment among women is too serious to be abused in the interests of party-political status-seeking or of compensating for other shortcomings. We therefore treat this motion for a resolution with due seriousness and hope — and here I join Mrs Lenz — that the Council of Ministers' meeting to be held in Paris on 8 March, International Women's Day, at the instigation of the French Minister for women's affairs will finally result in some conclusions and concrete decisions to combat unemployment.

(Applause from the left)

I particularly welcome this aspect of the motion for a resolution by Mrs Lenz and others.

Our criticisms, as well as the proposed amendments to the motion for a resolution, relate rather to passages which, to take an example, advocate the more flexible organization of working time and job-sharing as solutions to the problem of unemployment among women. Flexibility with regard to working hours without appropriate legal, social and union safeguards does not help to improve working conditions and family life but rather destroys the cohesiveness of the family by forcing women to wait around idly and unpaid at home. Such systems are based on the 'capacity orientated' use of working time. Our approach to making working hours more flexible can only be proven to be sufficiently serious when the national governments adopt the directive on part-time working on which this House has already expressed a favourable opinion. This makes clear provision for the social, union and legal safeguards for those working flexible hours or engaged in part-time work.

(Applause)

Failing this, such a strategy will worsen still further the ghetto-like situation in which women on the labour market find themselves.

The job-sharing schemes tried out so far show that under such schemes male and female workers lose the social rights normally guaranteed by their unions. According to the existing proposals, for example, a worker will lose his right to protection against dismissal if his job-sharing partner stops work. We find this unacceptable; we should not encourage schemes of this kind but should advise men and

Wieczorek-Zeul

women interested in such schemes to enter into contracts for part-time work, which provide really secure jobs and social security from the outset. Job-sharing — at least as practised at present — is a dead-end which we cannot advocate for women, especially since the pay — in particular for women — is so meagre as to be clearly insufficient to feed anyone.

I would like to state on behalf of my group that if our proposed amendments are accepted, we shall be voting in favour of the motion in line with my statements. If they are rejected, we shall be abstaining: we shall not be voting against the motion because we attach great importance to the proposal outlined in paragraph 3c for concerted action among the Member States. We hope that the national governments — and this includes the Federal German Government — will at last heed this appeal and put such concerted action into effect!

(Applause from the left)

Mr Patterson (ED). — Mr President, having just listened to the speech by Mrs Wieczorek-Zeul, I wonder whether the objective of the Socialist Group is actually to help unemployed women or to achieve completely different objectives. If one wishes to talk about unemployment, it helps to look at the pattern of employment. One of the features of the labour market is the very large increase in the number of women in employment over the last 30 or 40 years, up from 30% to 40% of the labour market in the United Kingdom. This has marked a very important social change which is the very high proportion of married women who are now in the labour market. This social change indicates how important flexible working hours are in providing employment for women.

To take the United Kingdom statistics again: of the 4 million part-time workers, 83% are women. It follows that, in the words of the resolution: 'The reorganization of working time and the provision of more flexible working arrangements is the key to providing more employment for women'.

Now having listened to Mrs Wieczorek-Zeul, as I say, one wonders whether she really wishes to provide jobs for women because she mentions the part-time work directive. That part-time work directive would put added costs on employers for employing part-time workers. All the evidence we have is that if it were implemented you would end up with fewer jobs — fewer part-time jobs and fewer jobs for women — than you would if that directive were not passed. So I ask the Socialist Group: come clean and don't be hypocritical. If what you are interested in is protecting the work of full-time trade unionists, well and good,

but if your objective is to provide more jobs for women, then you would not be saying the things you are saying at the moment.

That is why my group will not be supporting Amendment No 2 tabled by Mrs Wieczorek-Zeul, but we will be supporting broadly the amendment proposed by Mr Brok which, in my view, is the key to the whole resolution.

Again, do you want to provide more jobs or don't you? If you wish to provide more jobs, then at all costs you will want to avoid putting up unit labour costs, forcing firms to contract their investment and provide less jobs. The way in which you can really help women is to provide flexible working arrangements, without putting up costs. So my group will support Mrs Lenz's resolution, along with Mr Brok's amendment, and I call on the Socialists to come clean.

(Applause from the European Democratic Group)

Mrs le Roux (COM). — *(FR)* The Committee of Inquiry has given the entire House the opportunity to state its views on measures which will help to resolve the problem of unemployment among women, and now those who have refused this opportunity by voting as they have done are clearly trying to make amends by tabling a new motion for a resolution.

Leaving aside the vague wording of this motion, which advocates such unworkable solutions as job-sharing and part-time work, which the Committee of Inquiry has shown to be of no benefit to women, we reject this party-political manoeuvre which is designed to make us forget the attitude shown by the right in January and possibly to nullify important decisions.

The approach of the Communists is based on the positive aspects of the motion for a resolution adopted in January, and we shall continue to oppose, first and foremost, the plans for restructuring industries in which women predominate and shall support socio-economic measures likely to improve the employment situation for women.

Mrs von Alemann (L). — *(DE)* The Liberal Group, on behalf of which I speak, feels it would be sensible to repeat a number of points before the summit meeting organized by Mrs Roudy takes place on 8 March. We very much welcome the idea of such a meeting but would point out once again — and this is the reason we shall be supporting the amendment proposed by Mr Brok and Mrs Lenz — that we are still of the view that it is dangerous to make the measures to overcome unemployment among women subject to too many union requirements.

von Alemann

We still hold the view that job-sharing should be tried out in Europe and that a more flexible approach to working hours can also be used as a possible means of overcoming unemployment among women. We do not believe that the problem can be resolved by demands for a 35-hour week or for a general reduction in working hours. We shall just have to accept that women with family responsibilities have no option but to take on part-time work. We shall therefore be voting in favour of the amendments tabled by Mrs Lenz and Mr Brok and against those tabled by Mrs Wiczorek-Zeul.

Miss Hooper (ED). — Mr President, I would like to lend my voice to support Mrs Lenz's motion and to underline the importance of following through this particular aspect of the report on the situation of women in Europe which was debated so fully during the last session.

It is essential, in view of new technologies and changing work patterns, that full consideration be given to new methods of achieving the utmost flexibility and efficiency in working practices and working hours and that in achieving this any risk of discriminatory practices must be avoided. What I want is to offer women the maximum possible choice, not a mere dogmatic solution.

Mr Tugendhat, Vice-President of the Commission. — Mr President, the motion under discussion this morning raises a number of issues of great concern to the Commission, notably, the fight against unemployment among women and the promotion of equal opportunities for women. These issues were brought up during last month's plenary debate on the situation of women and were dealt with on that occasion in great detail by my colleague, Mr Richard, speaking on behalf of the Commission. He gave Parliament details of a number of Community actions that have been taken to date in the framework of our overall programme for the promotion of equal opportunities for women.

The problem of unemployment among women may be seen not only in the context of policies of equal opportunities for men and women — which has, perhaps, been the predominant theme of this morning's debate — but also in the wider economic context characterized by the broader employment crisis and the need for industrial restructuring in a situation where there is a constant increase in the number of women staying in the labour market. It is our fear ...

Mr President, I think there is no point in my addressing the House since I cannot hear myself speak.

President. — The debate is closed.

*Vote*¹

Mr Purvis (ED). — Mr President, could I ask you to put the motions without debate on natural disasters to the vote immediately?

President. — I understand your request perfectly but we can take the vote after the formal sitting which will probably not go on after 12.30.

(The sitting was suspended at 12 noon)

3. *Formal sitting*^{2 3}

(The sitting was resumed at 3 p.m.)

IN THE CHAIR : MR VANDEWIELE

Vice-President

4. *EAGGF — Budget 1984 (continuation)*

President. — The next item is the continuation of the joint debate on the oral questions with debate by Mr de la Malène and Mr Lalor (Doc. 1-1310/83) and Mr Lange (Doc. 1-1419/83).⁴

Mrs Nikolaou (S). — *(GR)* Mr President, we too appreciate the seriousness of the situation currently facing the Community and which was accurately described in the speech yesterday by the President of the Commission, Mr Thorn. We believe that one of the things most needed if we are to overcome the crisis is a serious and honest dialogue between the Community institutions. Up till now the lack of trust, the reservations and the omissions on the part of one or other institution have prevented such a dialogue. In this context I regret to have to draw attention to the failure of the Commission to submit proposals by 15 January on changes to the 1984 budget, as Parliament had called upon it to do in our resolution of 15 December 1983. When we were voting on the budget for 1984 we all had the feeling that it did not meet the real needs of the common agricultural policy. Even before the second reading Mr Tugendhat had stressed the need to establish an emergency reserve by cutting all expenditure by 2%. On 9 January 1984 the President of the Commission announced that the budget for 1984 had a shortfall of 1.6 thousand

¹ See Annex I.

² See Annex II.

³ Between 12.35 p.m. and 12.40 p.m., after the formal sitting, Parliament voted on the motions for resolutions on natural disasters and on the motion for a resolution on Afghanistan (see Annex I).

⁴ See previous day's debates.

Nikolaou

million ECU against what was required to meet the real needs. One month later, on the occasion of the farm price proposals, the Commission's estimates for unforeseen expenditure amount not to 1.6 thousand million ECU but to 900 million ECU. The strange thing is that this amount is exactly the same as the savings to be achieved if the Commission's proposals for cuts in the common agricultural policy are accepted. This striking coincidence creates an impression that one of the two figures was not the result of independent estimates, and since the figure for the savings came first, the sum of 900 million ECU for the unforeseen expenditure cannot be considered reliable. On this point we should like to ask the Commission how it came about that the estimate for unforeseen expenditure fell from 1.6 thousand million ECU to 900 million ECU within such a short time. After the statement by the President-in-Office, Mr Rocard, that it was unlikely that concrete decisions would be reached before April, we have reason to doubt whether anything will in fact be decided before 31 March. If that happens, the Commission has stated that it will call for additional measures to be taken to tackle the shortfall. We should like to know precisely what measures the Commission is considering proposing. Now is it intending to ensure that there are no cuts in the fields of social and regional policy?

The Socialist Group would like to see more transparency in the financial situation of the Community and calls upon the Commission to re-examine its estimates.

The farmers and other citizens of the Community who are receiving aid from the structural funds are extremely concerned about this situation and expect Parliament to help them overcome their problems as soon as possible.

Let me make a personal remark as someone from a country at the edge of the Community. The Commission's proposals for cuts in agricultural spending are a continuation of its policy of not differentiating between shortages and surpluses of products, between small and large producers. Moreover, Parliament's report on the future financing of the Community called for any measures to tackle structural surpluses to give special treatment to countries with a low per capita income and an important agricultural sector. However, the Commission's proposals for an across-the-board cut in expenditure will simply maintain the *status quo* which benefits the more privileged producers and do not provide funds for those who are most affected by the imbalances in the Community.

Mr Marck (PPE). — (NL) Mr President, it is not my intention to anticipate the debate on farm prices and the reorganization of the farm policy scheduled for a later part-session. Indeed, my group would reject any motion for a resolution on these subjects, since it would regard them as premature. I would like to

confine myself to certain aspects of the dairy policy now applied.

The present budget is clearly insufficient to finance dairy expenditure under existing market and other regulations. In December Parliament indicated how dairy production could be cut by means of quotas. Parliament cannot, therefore, be accused of negligence. The budgetary difficulties and the failure to take action are due solely to the Council's inability to reach a decision. It would therefore be both unfair and legally untenable to place the entire burden for this on the shoulders of European farmers and market gardeners.

On analysing the present Commission proposals concerning the quota arrangements, the price freeze and the co-responsibility levy, I find that they will mean an average drop in farm incomes of 15 to 20 %, and some Member States will be even worse hit. No other category of workers would be expected to accept such a loss. Is the Commission aware what this would mean for farmers who have undertaken substantial capital expenditure and for the families they have to support? Will they have to pay for the Council's inability to reach decisions? A purely budgetary approach would be unacceptable and would result in bankruptcy for thousands of farms, and maybe even in the renationalizing of the agricultural policy, an idea which is rejected by everyone.

However, the Commission's approach to administering the budget also lacks dynamism. I do not wish to discuss the situation of the Milk Marketing Board, a subject about which I also have misgivings and which was discussed sufficiently yesterday, but would like primarily to point out that no dynamic marketing policies have been introduced to stimulate the consumption of dairy products. Parliament has already drawn attention to the 'Christmas butter' scheme on an earlier occasion. The fact that this scheme was not applied resulted in substantially lower consumption and thus in increased stocks and budgetary expenditure. Now we also have Mr Tugendhat's incomprehensible decision to block promotional expenditure made possible by the co-responsibility levy for dairy products. This is incomprehensible on two counts: firstly, because it affects 1983 funds which are now available and which have since been approved both by producers and by the Commission; and secondly, because the promotional campaign now under way will have to be abruptly halted, thus jeopardizing the results achieved.

I would therefore ask the Commission — and I would be grateful for an answer — whether it intends to stockpile products with a view to solving the problem by having the product removed from the market? I find such scandalous tactics intolerable. The time has come, therefore, to apply all possible means of solving this problem — and I feel that the Commission owes us an answer.

Mr Price (ED). — Mr President, each year the Community takes two quite separate decisions, both of which are legally binding, both of which are intended to have permanent effect. One is the budget, the other is the agricultural price review. But in fact each year those decisions, although totally intertwined, are taken at different times of the year and, in the final analysis, by different Ministers. In the one case Parliament plays a major part in the decision, in the other case a minor part. In other words, they are completely separate decisions taken in different ways, at different times, by different people, although they are inherently about the same subjects. That is something which quite clearly we have to do something about, and we have to do something about it as part of the agreement that we all hope will come from the discussions during the course of this year about budget reform and reform of the common agricultural policy.

It is essential that we have a means of reconciling those two independent decision-making processes, and it is partly for that reason that I do not agree with the motion for a resolution to wind up the debate that has been tabled by Mr de la Malène and the Group of the European Progressive Democrats. There is a quite remarkable section of this resolution — paragraphs 3 and 4 — in which they talk about the duty of the budgetary authority to provide appropriations to finance common policies and condemn any attempt to operate by means of budget constraints or to have any regard to those budget constraints. I do wonder whether the Group of the European Progressive Democrats would advocate such a profligate view of public finance in their respective Member States. Would they maintain that you start off by saying what you want to do for a policy, with absolutely no regard whatsoever for the constraints imposed by the amount of money that is available? I cannot believe for one minute that that would be advocated by, for example, Mr Kasperit, who spoke to that motion yesterday, in respect of the French Republic's finances, and yet it is apparently advocated for the finances of the European Community. These two aspects have got to be reconciled, and it is quite unrealistic to look upon the common agricultural policy as in some way above the necessary budgetary constraints, above the Community budget and above the needs of the Community as a whole. Mr President, where I agree with Mr Kasperit and those who have urged this viewpoint is that I believe that the farmers of Europe are entitled to consistency of policy. That we have so far failed to provide, but we must now, in the course of the agreements to be reached this year, provide that consistency. However, it cannot be based upon a lack of regard for the finance that is available.

Mrs Castle (S). — Mr President, this week we have had a lot of emotional speeches about the relaunching

of the Community, but what is the stark reality facing this Community? It is that due to agricultural over-production the budget is running into deficit. It will be in deficit to the tune of 900 million pounds sterling by the middle of this year, and the real challenge facing this Community is not whether it is going to take on a lot more elaborate powers but whether it is prepared to accept the necessary cuts to balance the budget that we have at the present time. Is it prepared to accept the Commission's proposals for price cuts and price freezes and for controls to stop the surpluses?

Now my reading of the situation is that the Community is going to fail to face this reality once again. All the indications are that we are shaping up in this Parliament and the Council of Ministers to run away from the agricultural cuts that *will* be necessary. The question is also whether the Commission itself will stand firm. Will it give the political lead to this Parliament and to the Council of Ministers? Will it have the guts to stand by its own analysis?

Now I am afraid that I am very worried by the speech made by Commissioner Tugendhat. He said that if it looks as though the money is running out, he will produce a rectifying budget which would either propose changes in expenditure or set out the revenue forecast, and it would then be for Parliament to decide. He knows as well as I do what this Parliament will decide. It will cut absolutely everything but agriculture. Unfortunately Parliament was given a disastrous lead yesterday by the President of the Commission, Mr Gaston Thorn.

I myself was so worried about the coming developments that I wrote to him on 31 January and asked him whether he would give me an assurance that whatever else happened this year, there would be no cut in the Regional and Social Funds. Well, I have not yet had a reply from him so I listened to his speech carefully yesterday, and I am afraid I see his reply in what he said. He told us this: If the agricultural deficit is not eliminated this year, the Commission would have to propose — I quote — 'appropriate action, however harsh' by the budgetary authority. But he begged every question in the crisis that now faces the Community. Harsh to whom? Not to agriculture it seems, because he did not even say: 'If agricultural spending is not cut' but merely 'if no decisions are taken to ensure the financing of agricultural expenditure'. I can see the deal he is about to make, namely, that there should be an unconditional expansion of own resources. Then he added a very mysterious elaboration of his speech which came around to us all afterwards. There is a significant warning in that addendum. He said that if we failed to finance agricultural spending, there would be only two ways to balance the 1984 budget. Either the Member States would have to agree, unanimously, as you well know, to foot the extra bill themselves — there would not be

Castle

unanimity for that in the Council of Ministers — or cuts will have to be made in, say, the Social Fund or the Regional Fund to make more money available to agriculture.

Mr President, I find very sinister the use of the words 'say' or 'for example', because, of course, the United Kingdom rebate is exactly in the same classification in our budget as the Regional and Social Funds. Two-thirds of it at any rate is non-compulsory expenditure. This Parliament can, if it wishes, switch non-compulsory expenditure from one line to another in the budget. Knowing this Parliament, I know that, rather than reform agriculture, they would turn around and say — as some of them are already trying to do — 'Oh, we have an agricultural deficit, let us hold up the UK rebate'. I want to say to this Parliament, if this happens, then indeed you will face the disintegration of this Community. In that situation, Mrs Thatcher would have no choice but to withhold Britain's contribution to this Community. I would say to her also that if there are any attacks on the Regional and Social Funds due to the failure to reform this excessive agricultural policy then she should withhold her contribution because that would be the only way to save the Community from its own follies.

Never forget, when you talk about relaunching the Community, that it is primarily an industrial community and not just an agricultural one. Industry in Europe is starving for lack of funds. There lies the relaunching; there lies the reform, and this is the test of whether this Community can reform itself.

Mr Eyraud (S). — *(FR)* Ladies and gentlemen, I was greatly surprised yesterday morning to hear the President of the Commission give an affirmation of his self-satisfaction. I was also greatly surprised to hear the Commissioner, Mr Dalsager, state that he thought the measures he is proposing are necessary and will be effective and reproach us for not listening to him earlier.

The Commission is alone — almost — in thinking that the 1984 farm budget and the plans in connection with the price proposals are a well-thought out set of measures which are likely to help overcome the difficulties with which the Community is now confronted. While I am personally opposed to the entire budgetary package for the Guarantee section of the EAGGF — 16 500 million ECU — this seems to be enough for the Commission. So be it, we shall just have to tow the line. No group of people, no household, no firm and no country or group of countries can spend beyond their means. In the case of the Community, the ceiling has now been reached.

I deplore the unfairness with which the so-called strict organization of the package has been handled. To take just one example, to which I shall return when we debate prices and which gives a clear idea of the

unjustness and inconsistency of the measures: the cost of the common organization of the market for sheepmeat and goatmeat represents 1.5 % of the total EAGGF, Guarantee section budget. In your proposals for reforming the CAP, Commissioner, you forecast a saving of 129 million ECU from this section of the budget alone. In other words, 15% of total savings. But this is one of the few areas of production which is in deficit in the Community, and its self-sufficiency rate is below -20%. Do you call that fair? Is such a measure going to encourage fresh dynamism among sheep farmers in the less favoured regions? Again in connection with the overall EAGGF package, respect for Community preferences would, on the other hand, permit substantial savings. Cuts in imports of proteins on which little or no duties are payable and the levying of duties on vegetable fats would reduce the deficit.

We also take the view that if guarantees have to be limited because of the surpluses, then the co-responsibility levy should be applied to those who produce the surpluses, and production must not be fixed at a given level, since this would prevent any development among small and medium-sized holdings while perpetuating the system of privileges.

Why has the Commission also not taken account, in its successive proposals, of the suggestions made in the Court of Auditors' report of 24 October 1983 concerning the automatic and rapid readjustment of the green currencies to limit the effects on the budget of monetary compensatory amounts and to encourage a return to economic equilibrium between the Member States?

Listening to you, Mr Tugendhat, I had the impression that you had not taken account of this report.

Finally, I should like to mention a question which might be considered in the immediate future in addition to a possible corrective budget. Assuming that at the next Brussels summit a unanimous decision is taken to increase the ceiling on VAT by 1.4 % why not follow that up with a second decision to use provisional contributions from the Member States? These would be calculated according to the criteria normally applied when fixing all contributions. Such a measure, which would be effective before being ratified by the national parliaments, would no doubt create fresh possibilities.

In any event, whether the overall budget of the Guarantee section of the EAGGF is increased or not, fairer and more balanced solutions are possible. All I feel we need is the will to carry them through.

Mr Keating (S). — Yesterday, Mr Tugendhat told us that if the Council did not pass the Commission's 18 January price proposals then — and I hope I am quoting him accurately — the Council will have the

Keating

responsibility for the budgetary crisis which *it* will have provoked. He described the Commission's proposals as prudent and realistic.

I think it is a measure of the crisis, a symptom of the moment, that responsibility is being passed from one organ of the Community to another. It is not a good sign. I believe — and I want to use this occasion to beg the Commission to change its position a little — that part of the crisis is attributable to a number of the Commission's price proposals. Specifically, a quota system with a superlevy at such a level as to make surplus production uneconomic is a blunt instrument — it is a bludgeon in fact. It seems to me that you can cure a body with a scalpel but not with a bludgeon.

I do not make a plea on behalf of my own country — though it is profoundly influenced by this — I merely wish to draw attention to the whole spectrum of diverse rural arrangements that we find in the Community. Every place has a local history, every place is different. The cost of money varies, etc., etc. I could go on about social history; I could go on about levels of capitalization; I could go on about development of infrastructure. Those factors are not specific to any nation, they occur within nations and within regions. I therefore beg the Commission to recognize this extraordinary diversity. We hope within the Community to see the disparity in wealth diminish, though culturally we do not want the Community diminished.

What we have is a blunt instrument. This seems to me a pity. Mr Tugendhat said that he thought the measures were both prudent and realistic. Realistic they may be, but I have some doubts as to how prudent they are. It does not seem to me prudent to freeze the poor in their poverty; it does not seem to me prudent to prevent poor people in the countryside from solving their own problems; it does not seem to me prudent to freeze unequal relationships between regions which are the result of differing historic experience. That, it seems to me, is running counter to regional policy and even if we are not faced with the threat which we had yesterday of the raiding of regional monies, it is still exacerbating differences.

No country likes to say 'no'. But I would like to take this opportunity to appeal to the Commission. The crisis exists and everyone recognizes how serious it is. I do not think it useful to try and apportion blame between different bodies. We cannot go on like this. It seems to me bad for the Community that these problems are bundled away at some summit or other far from the Commission and far from the Parliament and far from the light of democracy. I think that the Commission has made its point and I think that it is now time for it to use its power of initiative to introduce new proposals which are just as realistic but which are more nuanced, more delicate, more subtle,

more favourable to evolution in the countryside, better attuned to the diversities that exist. It seems to me that that course would be just as realistic but more prudent.

Mr Sutra (S). — *(FR)* Mr President, Mr Dalsager, I should like very quickly to make two comments and ask one question. Those who have for years rejected the idea of reforming the CAP have, in so doing, decided that the reform will ultimately be made through the budget. This would be the worst approach and the worst time to apply it. While the Commission bears some responsibility for this, there are others, including some Members of this House, who are also to blame. We have been told for too long that the CAP does not need reforming, it just needs to be defended. This attitude has led to the disastrous situation we now face — the reform of the CAP by budgetary and financial means.

My second comment concerns unduly high expenditure. It is impossible to be absolutely 'liberal' when producing and absolutely 'socialist' when selling. Either one accepts no discipline and joins in the cut and thrust of the world market, or one asks for guarantees; but in that case one accepts the discipline involved. There is no discipline without guarantees and no guarantee without discipline. The Commission ought to have had the courage to state this clearly several years ago.

As I have said repeatedly over the past five years, both in this House and in the Committee on Agriculture, this is the only solution for the reform of the CAP which is both socially acceptable, nay valuable, and which meets the requirements of the budget.

Finally, my question. The need to make the CAP more balanced in the southern regions has been frequently discussed. There is a paragraph in the report by my friend, Mr Eisso Woltjer, which advocates an additional increase of one and a half decimal points for Mediterranean produce, in particular wine, fruit and vegetables. My question is as follows: do you have the necessary resources to restore balance to the CAP in the south, and what steps do you intend to take to ensure that these prices are actually applied to Mediterranean produce, given the fact that the price of wine, for example, is over 20% below European prices?

Mr Lange (S), Chairman of the Committee on Budgets. — *(DE)* Mr President, I tabled this question, partly in my capacity as representative of the Committee on Budgets, to find out why the Commission failed to react in January. A month later the Commissioner replied, saying that the Commission blamed the delay on unnecessary disputes. The Commission could have pointed out in January that uncertainty as to how the situation would develop prevented it from making any firm proposals — we would have accepted that. I am baffled by the

Lange

Commission's inertia. Its behaviour in January showed disrespect and sheer lack of civility towards Parliament.

(Applause)

As I said yesterday, the Commission is blotting its copy-book. In such cases the Treaty provides for a vote of no confidence!

In Item 2 of our question we wanted to know whether or not the Commission can meet this year's farm policy requirements with its 16.5 million ECU, and whether other areas will be affected. Commissioner Tugendhat was kind enough to refer to his statements made in December — which we accepted at that time — without considering the remarks made by his President in his speech on the programme, namely that if all else fails the cost of the farm policy will also have to be borne by the non-agricultural sectors. These statements are contradictory — whom are we to believe, the President of the Commission or Mr Tugendhat? If the Commission makes such conflicting statements, can we believe anything it says?

Now my other question: the Commissioner responsible for agriculture — yesterday he referred to our friendship, which I gladly reaffirm — felt obliged to mark up points in the Commission's favour by saying that it had been giving us warnings since 1977. That is quite incorrect! The warnings concerning certain trends in the agricultural sector came from the Committee on Budgets and the then Commissioner, your predecessor Mr Gundelach, who shared our misgivings and thus brought the Commission round to our way of thinking so that we tried to take action together.

Again, you said that Parliament had been persistently more demanding than the Commission. That is also untrue! In 1982 and 1983 I admit there was a slight majority in favour of different price proposals from those of the Commission: I feel that Parliament was acting to its discredit in that case, because on previous occasions we had adopted different positions.

Until that time Parliament, again by a narrow majority, supported the Commission. I know, indeed, that one year, as part of its negotiations with the Council, the Commission submitted proposals which went considerably further than the recommendations it had given earlier. If we want to apportion blame, Mr Dalsager — I nearly addressed you as fellow Member, since you used to be a member of this House in the 1970s — we should be very careful about making such statements. I have no wish to level any criticisms; I just want to say that even the Commission — quite apart from the Council — has at times been quite slow in taking action. We all know that we in Parliament have our problems, for we have said on countless occasions that the right place for discussion

on certain matters of policy is not between the Council and Parliament nor between the Commission and Parliament, but here in this House. That fact is quite plain.

The question is just this: why do the statements made by the Commission — by Mr Tugendhat and by Mr Thorn — differ so much? Why was the information you gave us yesterday not given to us in January? It could have been passed on in writing. There is no need to make things unnecessarily difficult for ourselves.

In other words, please get into the habit of dealing with Parliament differently, then there will be no difficulties; stick to the facts and try to preserve the Commission's credibility, which you can only do by making consistent statements. Or is this a reflection of the deep rifts within the Commission and of its inability to agree on a common policy — one for which the Commission in its entirety bears responsibility? If this were so, it would be highly regrettable, and the Commission would no longer be fit to remain in office.

(Applause)

Mr Dalsager, Member of the Commission. — *(DA)* Mr President, a large number of questions have been raised which in fact belong more under the agricultural debate which we will be having at a forthcoming session. For this reason I will not go into all the details regarding the Commission's proposal on agricultural prices.

I am disappointed that Mr Lange firstly queries, so to speak our old friendship. This grieves me. Then he says that the Commission has been in office for a long time without doing anything, and finally he states that the Commission is incompetent, and that our failures are leading up to a vote of no confidence. I must say that this is courageous talk from a Parliament which for the past five years at least has not supported the Commission when it pointed out the dangerous situation we were leading up to as regards dairy policy. But as I know, Mr Lange is a courageous man and from what I understood today he has the deepest lack of confidence in the Commission and the greatest optimism as regards Parliament's endeavours.

Let me repeat, Mr President, that the Commission has warned Parliament and the Council at least since 1979 about developments in the dairy sector, but received no support from Parliament. It is possible that we were supported by the Committee on Budgets, and it is true that we also heard pronouncements from Parliament to the effect that we should be careful with the agricultural budget. But in truth we have also repeatedly had statements from Parliament to the effect that the Commission had not the courage to secure farmers' incomes. We should increase prices even more than we had proposed.

Dalsager

And so it is partly a question of sharing responsibility. Now I know very well that the Commission has a special responsibility, and we try to live up to that, but the Commission also tries simultaneously to ally itself with Parliament. Parliament has however — in any case in that field which I have the honour to administer on the Commission's behalf — repeatedly refused us this support which perhaps might have placed us in a different position *vis-à-vis* the Council, which indeed honestly speaking has not supported the Commission's standpoint either, when it was a question of gaining control over a certain section of agricultural production, the budgetary consequences of which were in danger of running amok.

I understand that Mr Woltjer's report contains a proposal on further price increases for certain products, mainly those from southern regions, and Mr Sutra asks if the necessary funds are available for this. The answer is straightforward: no, the funds are not available. If Parliament were to adopt further price increases on top of those proposed by the Commission, let me say already now, so that you do not come later and maintain that we did not point this out, that the funds are not available. There is no budget for such a thing. If somebody wants to propose expenditure in addition to that already included in the Commission's budget, and if somebody wants to propose a toning down of the measures proposed by the Commission with regard to co-responsibility levies, production thresholds, etc. then I believe in any event that they are obliged simultaneously to show ways to obtain these funds. Or one must take the course — and there is nobody, least of all the Commission, who wishes this, to present amendment proposals for the transfer of additional monies from various funds to the agricultural policy...

(Interruption)

No, that is possible, but I haven't seen the report.

Mr Keating says that the Commission's measures are blunt instruments, and that we must now use our powers of initiative. Yes, but it becomes necessary to use blunt instruments, when year after year an attempt is made to use a scalpel but the proposals are rejected. I assure the honourable members that the longer Parliament and Council delay adoption of the instruments which the Commission has proposed as necessary to regulate the common agricultural policy and bring the situation under control — because week for week and month for month the problems are increasing — the worse will be the instruments which have to be applied.

Mr Eyraud raised a number of agricultural problems. I will return to them, and Mr Eyraud says that he would like to do likewise, when we come to the next session, where we will be discussing the problems of the automatic dismantling of the monetary compensatory amounts. The proposal is a good one. The Commission will support it. We have put forward proposals on

this and lack only the necessary agreement. The Commission's power of initiative is undiminished also in this field. We simply lack the necessary agreement decisions here in Parliament and in the Council of Ministers, which in the final analysis must take the decision.

Mr Marck raised the question of the renationalization of the common agricultural policy. We all agree that this would be a dangerous development; there is nobody who wishes this to happen. The Commission regards it as one of its main tasks to try to avoid this. When Mr Marck asks about Christmas butter measures let me repeat that there are no funds for anything resembling Christmas butter measures. This emerges clearly for all from the budget discussion which took place yesterday between Mr Thorn, Mr Tugendhat and myself.

The co-responsibility measures are being applied in accordance with the views already held by the Commission for a long time, and after cooperation with the producers who pay the co-responsibility levies: they are designed partly as measures to promote sales, partly to reduce expenditure on milk in the Commission's budget.

The question of storage must be decided in the light of the present market situation, where by and large we must acknowledge that sales of butter on external markets have almost come to a standstill. There are many countries which would perhaps like to buy butter, but do not have the necessary funds; for this reason we may, indeed it is probable that we will find ourselves in the situation at the close of this year, whereby partly owing to the lack of markets for some of our products — in this case butter in particular — partly because of our budget situation, will have greater stocks at year's end than we had at the beginning of the year. I think it was Mr Woltjer who said yesterday when we started this debate that a series of contacts were taking place between Member States, bypassing the Commission so to speak. I think that it is a dangerous development, when the European Council and the Council of Ministers think that the future agricultural policy should be discussed in the light of a total of up to ten different proposals from the ten Member States, thereby forgetting that the Treaties make it the Commission's sole and exclusive right to submit proposals and defend them, and that they can only be changed if all ten Member States agree to change them; of course we can do nothing about this. However, the Commission considers it is very important that it be recognized that it is the Commission who has the right to propose and that the discussions must take place in the light of the Commission's proposals, and also that it is in the light of the Commission's proposals that a result must be reached, which not only adjusts, but saves the common agricultural policy and thereby in the final analysis perhaps the whole Community's reputation.

Dalsager

Mr President, I would like to express my thanks for this debate. I think that it is very important that Parliament makes its position quite clear and is ready to support the Commission in the policy we have proposed. To all those who are concerned about farmers' economic situation, let me say that the Commission shares this anxiety, but if we do not take the necessary steps now, then the economic consequences for our farmers in the future would be far graver than the prospects held out for them by our proposals.

Mr Woltjer (S). — (DE) I only want to ask if the Commissioner has seen my report.

(Applause, laughter)

Mr Dalsager, Member of the Commission. — (DA) I have not received Mr Woltjer's report yet... I have now been told that I received it yesterday. However, I can guarantee Mr Woltjer and the President that I will study it very carefully and discuss it at the next meeting when it is on the agenda. I think that Mr Woltjer knows very well that I will certainly not leave important reports unread.

President. — The debate is closed.¹

5. EMS

President. — The next item is the report (Doc. 1-1251/83), drawn up by Mr Herman on behalf of the Committee on Economic and Monetary Affairs, on the consolidation and completion of the European Monetary System within the framework of the proposals submitted by the Commission in March 1982 (COM(82) 133 final).

The following oral questions to the Commission will also be included in the debate:

— oral question with debate (Doc. 1-1312/83) by Mr Israël on behalf of the Group of European Progressive Democrats:

Subject: Creation of a European savings account denominated in ECU in all the Community countries

In view of the need to give greater credibility to the wider use of the ECU within the European Community and to provide European savers with a guarantee against losses in value or devaluation of the national currencies, is the Commission prepared to propose the creation of a European savings account denominated in ECU in all the Community countries?

Will it consider the arrangements for introducing such an account bearing in mind the Member States' prerogatives in the matter of taxation?

— oral question with debate (Doc. 1-1313/83) by Mr Rogalla and others:

Subject: Issue of ECU coins

1. When will the Commission, or an agency operating on its behalf, issue ECU coins of varying denominations, each containing a proportion of gold or silver?
2. What revenue would this yield?
3. Could this revenue form part of the Community's own resources?

— oral question with debate (Doc. 1-1314/83) by Mr Delorozoy on behalf of the Liberal and Democratic Group:

Subject: Use of the ECU in intra-Community trade

Financial and banking establishments in certain Member States have been seeking for some time to promote the use of the ECU, in particular, by accepting deposits, granting loans and issuing bonds in ECU. The increased use of the ECU as a means of payment and of exchange parity in intra-Community trade and contracts produces a relative stability in international operations. The general use of the ECU must therefore be encouraged.

To this end, can the Commission give details of the steps which could be taken — particularly as regards information — to encourage a rapid and widespread increase in the use of the ECU in operations carried out by users (financial institutions and undertakings), as a step on the road towards financial integration?

Mr Herman (PPE), rapporteur. — (FR) Mr President, ladies and gentlemen, we are very pleased that the majority in this Parliament voted, on Tuesday evening, in favour of the draft treaty for European union. Political union implies monetary union, in the same way as monetary union needs political union if it is to last. Furthermore, Article 52 of the motion we adopted provides for the creation of a European Monetary Fund. But before we reach this ideal situation, we must look closely at the intermediate stages. I have the honour of presenting this report on behalf of the Committee on Economic and Monetary Affairs, a report whose aim is to make the Council take a further step in the consolidation and development of the European Monetary System.

After being in operation for five years, we can assess the functioning of this system. In spite of the second oil crisis, the insufficient convergence of economic policies and seven realignments, the system has held its ground. Not only has it held its ground but it has improved. Thus the overall achievement is positive and the time has come to take a step forward. It is a

¹ Decision on a request for an early vote: see Minutes.

Blumenfeld

de burgerbevolking dat in de afgelopen maanden en jaren voortdurend is toegenomen, nog groter wordt. De burgerbevolking van alle godsdiensten is het slachtoffer van de burgeroorlog en van de militaire ontwikkelingen in Libanon en in het Midden-Oosten.

Wij willen er de publieke opinie in Europa en daarbuiten met onze ontwerp-resolutie op wijzen dat de laatste tijd steeds meer de christelijke Maronieten en de gelovige Libanezen het slachtoffer zijn geworden van de politieke en militaire ontwikkeling. Tijdens de voorbije maanden en jaren heeft men vaak terecht betreurd dat er bij de Palestijnen, de Soennieten en de Moslims onder de burgerbevolking ontzettend veel slachtoffers waren. Maar in werkelijkheid — en hierop willen wij de aandacht vestigen — brengen nu de christenen, de groepering waaruit de president van Libanon voortkomt, de meeste offers. Daarom doen wij een beroep op de wereldopinie, ten einde duidelijk te maken dat wij als Europees Parlement, als gelovige christenen in Europa, degenen die in Libanon tot soortgelijke of dezelfde godsdienstgemeenschappen behoren niet aan hun lot kunnen overlaten. Daarom verzoeken wij in onze oproep de Raad van ministers, de verantwoordelijke instanties zowel in Syrië alsook en vooral in de Sovjetunie en in het islamitische geloofsgebied erop te wijzen dat wij de christenen niet in de steek zullen laten.

Nog twee korte opmerkingen met betrekking tot de beide andere ontwerp-resoluties. Wij zijn als fractie van de Europese Volkspartij bereid de ontwerp-resolutie van de heer Haagerup te ondersteunen, maar delen de mening die de heer Haagerup zoëven tot uiting heeft gebracht dat in de breed opgevatte ontwerp-resolutie van mevrouw Wiczorek-Zeul en anderen een reeks problemen te berde worden gebracht die wij in de beperkte tijd van een urgente behandeling niet voldoende aan bod kunnen laten komen. Er blijven onopgeloste problemen en daarom bevelen wij als Fractie van de Europese Volkspartij aan dat ieder in deze kwestie voor zich zelf stemt, terwijl ik mijnerzijds deze ontwerp-resolutie niet kan steunen.

Mevrouw Wiczorek-Zeul (S). — (DE) Waarde collega's, ik spreek enerzijds namens de Socialistische Fractie, maar ook als voorzitter van de delegatie voor de betrekkingen met de Golf-Staten.

Ik wil bij voorbaat zeggen dat mijn fractie de ontwerp-resoluties van de heer Haagerup zal goedkeuren. Ik zal ons standpunt hierover niet in detail uiteenzetten, maar mij concentreren op de inzichten waartoe wij als delegatie verleden week in de Arabische Republiek Jemen, dit wil zeggen in Noord-Jemen, zijn gekomen en die voor ons zo dramatisch waren dat wij ze in deze urgente behandeling ter sprake wilden brengen. Wij hebben tijdens de formele en informele gesprekken met de regering van de Arabische Repu-

bliek Jemen en ook met de vertegenwoordigers van de Palestijnse Bevrijdingsorganisatie, onder andere met Jasser Arafat, in de delegatie allemaal de indruk gekregen dat snel moet worden opgetreden. Deze overtuiging wordt door het gros van de delegatie die uit de meest uiteenlopende partijgroeperingen van het Parlement bestaat, gedeeld. De heer Schall kon met de delegatie aan de bespreking van dit punt niet meer deelnemen. Ik ben er zeker van dat ik uit uw aller naam spreek wanneer ik hem van hieruit spoedig herstel wens. Ik ben ervan overtuigd dat hij graag aan deze discussie had deelgenomen.

(Applaus)

Ik zou er hier op willen wijzen dat in al onze gesprekken de hoop op een snel optreden van de Europeanen, van de Europese Gemeenschap tot uitdrukking werd gebracht. Ons werd gezegd dat Europa de plicht heeft opnieuw in het Midden-Oosten op te treden, ten einde door onderhandelingen tot een oplossing te komen. Europa moet helpen het slepende Palestijnse-Israëlische conflict vreedzaam op te lossen, zonder daarbij de veiligheid van de Israëlische grenzen na de terugtrekking uit de bezette gebieden uit het oog te verliezen, zodat de Palestijnen zelfbeschikkingsrecht krijgen en een vaderland vinden. Wij zijn tot de overtuiging gekomen dat zonder het verwezenlijken van het zelfbeschikkingsrecht van de Palestijnen en zonder eigen vaderland een duurzame, vreedzame oplossing in de regio niet mogelijk is. Wij zijn tot het inzicht gekomen dat het standpunt van de meerderheid in de Palestijnse Bevrijdingsorganisatie een duidelijke wijziging heeft ondergaan. Het bestaansrecht van Israël werd door Jasser Arafat erkend. Er werd op gewezen dat een confederatie met Jordanië als een eerste stap tot de oprichting van een aan de verwachtingen beantwoordende Palestijnse staat wordt geaccepteerd en dat een van de doeleinden bij de onderhandelingen met Jordanië de oprichting van een Palestijnse staat op de westelijke Jordanoever, na de terugtrekking van Israël, is.

Wij hebben de indruk gekregen dat Egypte en de PLO duidelijk nader tot elkaar zijn gekomen hetgeen uit het bezoek van Jasser Arafat in Caïro en ook uit het bezoek van Moubarak bij Ronald Reagan is gebleken.

Volgens ons streven de Egyptenaren ernaar de PLO te laten deelnemen aan de onderhandelingen over de autonomie en de PLO harerzijds heeft er ook belang bij elementen van het Reagan-plan stilzwijgend als basis voor de onderhandelingen te aanvaarden. Dat wil zeggen dat zich voor het eerst in het Midden-Oosten compromissen beginnen af te tekenen tussen de plannen van de Arabieren, zoals bij voorbeeld het Fesplan en de plannen van de Amerikaanse Regering, het zogenaamde Reagan-plan. Daarom geloven wij, als delegatie — en ik zeg dat ook namens mijn fractie — dat wij Europeanen zo spoedig mogelijk een nieuw of

Herman

Europe — which imports more, exports more and saves more than the United States — would be perfectly able and entitled to share with the US the privilege of issuing a major reserve currency. All it needs is the will and to organize itself accordingly.

If the proposals which the Parliament is making were accepted, we would have no difficulty in making the ECU the other worldwide currency and we could pay for our oil in ECUs instead of being obliged to pay in dollars.

(Applause)

Mr J. Moreau (S). — *(FR)* Mr President, ladies and gentlemen, to start with I would like to make two points. The first concerns the agenda. I want to protest about the fact that, contrary to what had been promised, this debate began at 3 o'clock.

I would point out that debates on economic and monetary affairs are important in Parliament, and that we have had great difficulty, during the life of this Parliament, in getting such debates scheduled at times when a reasonable number of Members could actually attend them, and I note that this has not changed.

The second point — and I do not want to fall into the habits of parliamentary language — is that I consider Mr Herman's report to be a comprehensive report on the problem of the European Monetary System in its present form.

This report forms part of the European Parliament's current move aimed at the creation of suitable conditions for genuine economic revival in Europe. It is the third time that we have discussed this topic during the life of this Parliament. And, as I pointed out at the beginning, I agree with most of the ideas in the report.

As a matter of fact, in this time of scepticism and doubt with regard to the ability of the Community and its Member States to overcome the numerous difficulties and successive crises, the operation of the European Monetary System, although far from achieving everything expected of it, proves that Europe can give itself effective instruments when it wants.

We obviously regret that it is not possible to go into the second phase as initially envisaged and as Parliament requested, especially by adopting the report by our colleague, Mr Ruffolo.

Without resigning ourselves, we must now accept that this cannot be done and put forward proposals both to improve and consolidate the existing system and to prepare the way for a new step forward.

The future of the European Monetary System lies in the hands of the Council of Ministers, and I want to emphasize this even though the Council is not present today.

I venture to hope that in the coming months, if we believe the statements of the President-in-Office, it

should be possible to make some progress, on the condition that the Member States agree to place the Community's medium-term interests before the protection of very short-term interests.

It is necessary to stress this again: without the stabilization and consolidation of the European Monetary System and without a gradual acceptance of the use of the ECU, I consider that any European economic revival will remain precarious and more susceptible to external influences.

The assessment of the operation of the European Monetary System shows that the system has permitted greater concertation between governments on the economic, monetary and budgetary policies carried out in their countries. Even though certain weaknesses appear, which must be corrected, I consider it to be a positive aspect, even though the restrictions may seem hard to endure to some people.

Consequently, I support the proposals put forward in the report concerning the introduction of an indicator system which would allow the Commission to intervene as soon as the warning lights turn red.

It is in the interest of the Community for all this to be implemented so that economic trends in the member countries can be controlled in the best possible way.

We support the proposals to strengthen the role of the EMCF. We think that this will prepare us mentally and allow certain instruments to be tried out. Of course I know the obstacles that Mr Herman's proposed step forward will encounter, but I hope that the present reservations will fade when the need to strengthen the existing system is considered.

We also support everything which may contribute to opening up the system, especially regarding the procedures for creating ECUs, for returns on investments in ECUs, and for the convertibility of the ECU.

In line with the stance which the Socialist Group has taken during the previous debates, we also support all measures which help to promote the use and the privatization of the ECU. I, for my part, hope that the Commission will make a number of proposals to confirm and strengthen the role of the ECU as a currency.

Consequently, we obviously support the requests in the report, at least the spirit of those in paragraphs 21 and 22.

Nevertheless, we wonder whether the European Monetary System, as it is operating today, is a sufficiently permanent part of European reality to ensure that there can be no going back.

In this respect, the entry of the pound into the exchange and intervention mechanism of the EMS would obviously help to stabilize the system a little more.

Moreau

In conclusion, I would like to point out that if a genuine European currency existed, although this may seem very idealistic today, it would be a considerable asset to the Community in its action to achieve real control of its economy and trade. Maybe this is just a wild dream, but I hope that the Commission, like the Council, will concentrate on finding solutions in this field and I hope that the new Parliament soon to be elected will do everything possible to help both the Commission and the Council to head in this direction.

Mr von Wogau (PPE). — *(DE)* Mr President, ladies and gentlemen, the Group of the European People's Party will support Mr Herman's report. Of course, we too have, on occasion, taken differing views with regard to specific technical questions, which also have considerable repercussions from the economic point of view, but we have in common the will to develop this European Monetary System further in a rational manner.

First let me assess its achievements so far. I agree with Mr Herman in thinking that the European Monetary System has already made a vital contribution, during the period in which it has been in existence, to stabilizing exchange rates between the currencies of the Member States of the European Community which are members of the system.

With regard to the question of what was expected of the European Monetary System, we must admit that this system has without any doubt also played a considerable role in the task of promoting convergence between the economic policies of the Member States. You see, in contrast to a good deal of what is continually said, there is one thing that we must bear in mind: if we survey the scene in Europe today from the point of view of economic policy we shall observe that the four biggest Member States at least are pursuing a policy of stability which is to a considerable extent a coordinated policy. This has by no means always been the case: it is, rather, something that has only come about in the very recent past. But it has also been shown that the combination of largely open frontiers in the European Community with the discipline of the European Monetary System has resulted in the fact that an individual Member State can only pursue totally contrary policies if it is prepared to accept the very serious consequences that flow from them. I am obliged also to note that in recent months more account has been taken than in past of the need for greater stability in Europe and I must also observe that inflation rates are beginning to decline. I think that this betokens a change of direction which must be continued at all costs. Doubtless, the European Monetary System would be given a considerable fillip if the United Kingdom were to become a full member. From the United Kingdom we hear time and again contradictory explanations: at

one time sterling is too strong for the United Kingdom to become a member and the next time it is too weak.

I should welcome it very much if Her Majesty's Government could finally take the plunge and join the European Monetary System and thus stabilize it. I know that this view is also shared by many United Kingdom members of this House.

Since 1979 the European Monetary System has made notable progress in a pragmatic manner — often largely unobserved by the public. We note that the ECU was, after the dollar and the German mark, the third most frequently used currency in international loans last year. In my opinion, that, too, was not adequately appreciated by the general public. In some Member States of the Community traveller's cheques denominated in ECU already exist. In the foreseeable future it will even be possible to use ECUs to pay for restaurant meals. The idea is that very shortly, on an experimental basis, credit cards will be issued by certain banks in certain Member States based on accounts denominated in ECUs, and the recipients of these cards will then be able to make purchases with them in all the Member States of the Community. I think that is a notable and interesting development, the benefit of which will of course be limited by the fact that in one Member State it is not possible to open private bank accounts denominated in ECUs and in other Member States there are foreign exchange restrictions which will act as a considerable brake on such new developments.

I should like to make the following comments on this new development: I am well aware of the reservations regarding stability which have been voiced in certain parts of this House. Nevertheless, I am of the opinion that the opening of accounts denominated in ECUs for private individuals should also be permitted in the Federal Republic of Germany and I think that the Bundesbank, in permitting such a development, would be running a perfectly calculable risk. I should welcome it if the Federal Republic of Germany could resolve itself to take this step. I should also welcome it very much if, for example, foreign exchange controls could be abolished in France and Italy, as the European Court of Justice recently called upon the governments to do in certain respects. I think that would be a vital precondition for the further development of the European Monetary System. Looked at in the long term, we can only develop the system further if two preconditions are met: firstly, there must be a central monetary authority at the European level which — like a national central bank — would also have power to control the money supply. That is a fundamental precondition. In the second place, we need more policies to promote stability in all the Member States of Europe, since stability and confidence must be the bases for the necessary further development of the European Monetary System.

Mr Welsh (ED). — Mr President, one of the many pleasant attributes of this Parliament is the great degree of individual expertise that certain Members bring to certain subjects. In this particular case I think Professor Herman has produced a most interesting and stimulating report, one which treats a very important subject with due weight and one which, I am glad to say, my group wholeheartedly supports. I think we owe him a debt of gratitude for all that hard work.

This report is basically about the issue of competitiveness. We talk a great deal about the problems of relaunching European industry, but there is no doubt that one of the great advantages that the Americans and the Japanese have over our own manufacturers is that they actually have a single currency system. A yen is a yen is a yen, and a dollar is a dollar is a dollar. Unfortunately, in Europe, we have francs, pounds, marks, drachma, and no two of them bear any apparent relationship the one to the other. So we can all say that an overwhelming priority for the Community always has been and must be economic and monetary union, and it is difficult to see how the common market can operate without it.

There are some classical criticisms of the exchange-rate mechanism. Broadly, there are those who feel that currency parities are the symptoms of certain economic effects. They are the product of what you do, and, therefore, to fix parities artificially is rather like dealing with the symptom of an illness rather than looking for the underlying cause. Economic and monetary union can only come about within the framework of a genuine consensus among the Member States on economic policy, and until that consensus exists, one is merely tinkering with the ends of the system and possibly forcing national monetary policies into entirely false positions.

I must say that the history of the EMS has, to a large extent, disproved this criticism. If we look around us, we find that the Member States show a startling degree of unanimity in their approach to economic policy. We now have an increasingly convergent Council of Finance Ministers, and I am convinced that the exchange rate mechanism has been an important factor, because it has forced Ministers to try at least to discipline their economic policies to keep their parities in some relation to each other. I suspect that had there not been an exchange rate mechanism, the events of last April would have turned out very differently.

Therefore, I must say, having started as a sceptic, I am much keener about the exchange rate mechanism than I once was. However, it must be absolutely clear that it is not enough. Unless we move quite fast to the next stage as advocated in the Herman report, the system, I suspect, will turn in and collapse upon itself because it will have nowhere to go.

I do believe that convertibility of the ECU is an extremely important objective. I think concentration

on the ECU would be a powerful incentive for further progress with the exchange rate mechanism. I think we must look to our German friends to use their eloquence and persuasive powers on Mr Stoltenberg to take a slightly more liberal view of the convertibility of the ECU than perhaps he does.

I would like you to know, Mr President, that the European Democratic Group in its great majority is going to vote for the entire Herman motion for a resolution, including paragraph 22. It is not my task to attack the policies of the British Government, so I would merely say this on my own behalf. I simply do not understand what the overwhelming reason is that prevents us from joining the mechanism. I have yet to hear a convincing explanation from any member of our government.

(Applause)

We do our best to make the point. We have sat at the feet of Mr Herman and Mr Ortoli and others and we take that message back. By God's grace one day we shall be listened to!

(Applause)

Mr Bonaccini (COM). — *(IT)* Mr President, our group — or at least its Italian Members — has brought this subject to the attention of Parliament in such detail and so often that we have no doubts in approving the report presented by Mr Herman which we, moreover, helped to draw up.

Nevertheless, we have some regrets that this step, which Mr Herman himself defines as 'modest', but which I consider 'significant' too, should replace a far more important one, namely, the transition to the second phase of the European Monetary System.

We certainly do not intend to abandon the further development of the European Monetary System, only five years after its coming into force, although the political situation is such that we have to take this realistic line of action.

We fully realize the consequences and commitments for the countries involved, including my own. By the way, I would like to point out to Mr Wogau that transfers of capital is another issue, and I therefore think it is wrong to bring it up during a debate on monetary matters. What we are taking upon ourselves are, for example, those commitments which my country has respected until now at least, resisting, for example, demands from major industries in our country for a new wave of competitive devaluations. We still believe in all this and, as far as my political party is concerned, we shall continue to believe in it.

One specific point in Mr Herman's motion which we would stress is in the paragraph in which the ECU — in my own words — may take on a reserve function and be competitive in order to ensure an adequate level of international liquidity.

There is one minor point which we spoke of in the Committee on Economic and Monetary Affairs and

Bonaccini

which I mention here only as a reminder: the question of the composition of the ECU basket, on which various opinions exist within the committee itself. I believe that those who truly wish to encourage the process of European unification cannot ignore the processes necessary for the achievement of European monetary union and of a sufficiently coherent monetary system.

Besides our appreciation of the work done by Mr Herman himself, it is this basic choice which leads us to approve this resolution.

Mr Delorozoy (L). — *(FR)* Mr President, ladies and gentlemen, the construction of a solid and working European monetary system is for this assembly becoming a kind of incantation recited in fervour and hope. To achieve it means that we must adopt a number of significant measures which complement each other. The various stages which the Commission is proposing are the groundwork for the final, institutional phase of the European Monetary System from which, for various reasons, we are still at some considerable distance.

Differences between the trends in prices and inflation in our various countries remain too wide, and as the Commission stressed in its 1982 report, which alas still remains relevant today, the gap is rather tending to widen.

What we must do is find some relative stability. The European Monetary System was realigned four times in the 18 months from autumn 1981 to spring 1983, which certainly did no good, even if the experts agreed that it worked properly. No one can deny that the more recent realignments brought with them more rigorous so-called accompanying measures. The need for greater convergence is clear and remains a prerequisite to monetary integration. In his excellent report Mr Herman has set out quite explicitly the weaknesses in the European Monetary System, and I can do no more than agree with his analysis and with the improvements he proposes.

One point he makes I should like to stress, namely the request to the Commission to use more forcefully its power of recommendation conferred by the decision of 18 February 1974. The systematic disregard which we have witnessed recently is justification for sanctioning such attitudes in the future, and we therefore call for the warning system proposed by Mr Herman to be given serious consideration so that the Council can take pre-emptive action when changes appear which are likely to cause monetary disturbances. If we were to take this step, consolidation of the EMS would be far closer and that is exactly what we are calling for.

I should now like to add a few words of explanation about the oral question tabled on behalf of the Liberal and Democratic Group on the use of the ECU in intra-Community trade, which we are also now debating. We consider that greater use of the ECU

will contribute to the assertion and strengthening of its credibility as a true European currency. It is first in business and trading contracts within the Community that the systematic use of the ECU should be used. To achieve that we must of course make the existing possibilities better known, but we must also do away with the restrictive national regulations which remain, such as those in Federal Germany of which Mr von Wogau reminded us a few minutes ago. At the same time a multilateral clearing house for inter-bank transfers in ECU must be established, and it is also to be hoped that all Community citizens can be given free access to stocks and bonds in ECU. In this way the ECU would become a real currency for payment. That is undoubtedly the wish of the majority of this assembly, and what we call on the institutions of the Community to bring about at the earliest possible opportunity.

Mr Israël (DEP). — *(FR)* It is very difficult, Mr President, for a non-specialist to come up with anything new to say when following Mr Herman. The fortunes of this Parliament's operation allow me today to speak to you of my conception of the EMS, and I do so in all modesty and all respect.

The operation of the European Monetary System tends nowadays to be confused with the Community's monetary policy. The purpose of the system is well known: it is to create a zone of monetary stability across the continent. Despite the difficulties encountered by the EMS and the impassioned debates to which it has given rise the system can now be regarded as one of the bastions of the Community. It and the common agricultural policy stand alone as the Community's only common policies.

Close inspection nevertheless discloses that the EMS is precariously founded in that it is built on the rather shaky role of the Member States and on the international economic environment which has rather more effect on the European system than the system has on it.

Our rapporteur, Mr Herman, whom we must congratulate on his excellent report, shares this view of the situation. I must tell Mr Herman on behalf of my group that we agree entirely with the bulk of his report.

With the rapporteur, we consider that despite the fact that we do not have available all the technical data this House should not restrict itself to mere exhortation and incantation.

For my own part, I shall indulge in a little preaching to the converted, and describe to you the advantages of the EMS, perhaps mostly for the benefit of, for the particular attention of, my compatriots currently in government in France who seem to be showing some hesitancy as regards the efficiency of the EMS.

To reach any conclusion as to its value we must first make an effort of imagination and consider where our countries would be with respect to each other if we

Israël

stood as individuals on the international market with currencies floating from day to day. What a catastrophe it would be for business if currencies were in a state of perpetual change from day to day with its consequent disastrous effects on imports and exports. Of course we know that the virtues of this system are not perfect, since there have been changes in parity. But as Mr Herman has pointed out, the EMS was designed and exists for that, so that parity changes within certain limits can take place.

But the organized changes do allow financial management not to be permanently obsessed by exchange rates. And, oh miracle, we have had periods of up to 12 months of stability.

It is a system which is admittedly regional but which nevertheless encompasses intra-Community trade of 275 thousand million ECU, which is half of our external trade.

The second point, Mr President, is that the EMS forms part of the economic discipline which Member States must accept and which, as we were saying, is a cornerstone of our Community. Without it we might be confronted with what I shall call, if you will allow me, competitive devaluation. All of which would contribute inevitably to strengthening the dominant position of the dollar. And that is why I reiterate that the criticisms currently being voiced, particularly by the present French government, disturb me considerably. What would happen to the French franc if tomorrow it left the European Monetary System? One does not need to be a financial wizard to predict that we would be faced with a devaluation of at least 20 % compared with other currencies, and with all the risks to the social and internal structure of our country which such a devaluation entails.

On the other hand, the protection which the EMS has afforded us has meant that we have to bear with the consequences of the rise in the dollar and in interest rates. There is no need for me to develop the question since Mr Herman has already described it masterfully. Let me say simply that we are far from the dream of the Versailles Summit when an attempt was made to bind the ECU to the US dollar. The dream may have vanished but we may allow ourselves to hope that the merit of Mr Herman's report will allow this House to provide the initiative to make some progress.

In the few seconds which remain to me, Mr President, I should like to put an oral question to the Commission on the subject of a savings book in ECU to be used throughout the Community. Why is the Commission not prepared to promote this essential idea, which would allow us to create a reference to European currency throughout the Community without immediate recourse to a hard cash currency? I would add that nothing prevents the more timid countries — perhaps including my own — from taxing such ECU savings books heavily, but they would then at

least exist and instil in Europeans the feeling that in monetary matters, as in so many others, they are united.

IN THE CHAIR : MR ESTGEN

Vice-President

Mr Sutra (S). — (FR) Mr President, ladies and gentlemen, the first thing I should like to remind you of is the importance of our debate today: some years ago, even before our election by universal suffrage one of the great European newspapers had a leader entitled 'Agriculture dying of monetary causes'.

Even if we do not realize it, we need a working and efficient ECU. I was the author of one of the resolutions which led to this report and I consider this debate on monetary affairs sufficiently original to pause and refer to it again.

What I proposed was an international competition for the design of a symbol to represent the ECU, to be written in as few characters as possible for manuscript use and for use in printing, typing, and computer output. That way people will realize that the ECU does exist. In this House and the Commission alone the word ECU is written hundreds, thousands of times for the budget alone. The symbol would become known, become accepted, become a way of life and would appear before the eyes of the citizens of Europe — particularly on the television screens — that is how the ECU will really be known to exist. I am expecting a lot from public opinion in our democracy. I go so far as to hope that it will make things more difficult for sterling to remain outside the system and for Germany to veto its foreign currency status since the public would have as much difficulty understanding that as we, their representatives do. It was Mr Welsh, a few seconds ago, who was saying that he was unable to find an expert in Britain who could give him reasons why the United Kingdom remained outside the ECU system. And when every British citizen knew that the ECU existed, could the British Government remain outside the system? Mr von Wogau has just told us the same thing about his own government and his desire to see the veto lifted.

We are all familiar with the proposals for the extended role of the ECU made by my friend and colleague, Jacques Delors, when he was Chairman of our Economic and Monetary Affairs Committee. I have no doubt that he would be proud of Mr Herman's report. I should like to remind you that he made a great many proposals, including some recently as Minister, which reflect perfectly in practice the theory he had previously defended in this very House, and contrary to what Mr Israël was saying a few moments ago, he proposed in particular an advantageous savings account in ECU for those who were interested and knew of its existence.

Sutra

I should like to conclude, Mr President, by thanking Mr Herman for taking up my idea of a competition. He has gone even further as rapporteur and established a prize. It is now up to the Commission, whose title, I would remind you, is 'Executive': the Commission must get down to action. Great works can stem from small beginnings, and we are in the age of the image: let us therefore create an image of a Europe which exists and which is growing, even down to the details which may seem trivial. I know, Mr Herman, that it is not the most important recommendation you make, but I am grateful to you for giving it new life.

Mr Van Rompuy (PPE). — *(NL)* Mr President, it was Jacques Rueff who once said that Europe would be built on currency or would not be built at all. That may not be a particularly romantic point of view, and it is unlikely to please the European idealists, but it is the economic path which offers more than any amount of institutional reform. And if the European Community has not disintegrated after ten years of crisis, it can largely be attributed to the monetary nucleus, which has defied so many batterings.

It is therefore a good thing that we can debate the Herman report today; it is a positive report and it draws positive conclusions on the working of the European Monetary System, and it makes positive proposals. It is true that in the early days of the system we had a period of stability in European short-term exchange rates. As a result of the EMS, separate rules apply to currencies within and outside the system. A number of problems have arisen, of course, with differences in inflation rates across Europe producing significant differences in the true, effective exchange rates compared with those of the early days. There have been some improvements since 1983, but all in all there is still a need for economic convergence, particularly with a view to preventing real distortions in competition. That is also why I support the proposed warning signs, which are necessary if we are to compel certain Member States to intervene if we wish to prevent the crises which otherwise occur every other year.

A further important point is the question of coordination with regard to third countries. We blame the USA for our economic problems, but it is our own fault that hundreds of millions leave Europe every year for the American financial market. For twenty years we have been trying to contain the unrestricted growth of the Euro-dollar market, which at this moment amounts to more than a million million dollars. We must have a real European monetary fund, with an ECU which can play a real role in the exchange markets and can regulate intervention under its own responsibility. That is the only way in which we shall be able to set up a European monetary zone of our own with regard to the dollar.

It is also positive that little enough though it is mentioned, the ECU is now leading its own life, and it is therefore regrettable that the Bundesbank should refuse the ECU recognition as a true currency. The ECU should become a real business currency. This is how we shall be able to foster intra-Community trade, with invoices and payments in ECU; in that way, too, we shall create solid foundations for further development. It is incomprehensible that the Bundesbank is not at this time prepared to agree that the ECU can in time provide an alternative to the Euro-dollar, which allows currency switches from dollars to German marks to upset domestic money supply even in Germany. The Bundesbank is seeking an appearance of autonomy at a time when the only way in which European monetary autonomy can be won is by working together as Europeans.

Mr Fernandez (COM). — *(FR)* Mr President, ladies and gentlemen, the French members of the Communist and Allies Group are aware of the serious disruption of the international monetary system. We are aware too that since the American authorities put an end to the Bretton Woods system they have done nothing to stabilize the international financial situation — quite the contrary. The present position is that the erratic movement of the dollar seriously threatens our economies: the artificial rise in American interest rates means that a flood of European capital is leaving Europe to finance the American budgetary deficit, obliging Europe to offer interest rates which are incompatible with the investment in production which is essential to any economic turn-around.

A great deal of concern has been shown of this flight of capital to the United States and it is in full knowledge of the dangers of the situation that we are proposing that all capital leaving Europe for the United States should be taxed. What is more, our currencies each react in their own way to movements of the dollar, and this produces varying kinds of pressure which are incompatible with continued stability of the EMS. The result is that Member States' monetary policies are to a large extent influenced by such outside constraints at a time when our monetary levers ought to be used to favour investment in growth.

Until now the influence of the EMS seems to have been in favour of stability. But its task, and in particular the increased role of the ECU, must be aimed at two essential objectives. First, to increase the internal stability of our European currencies so as to diminish exchange rate risks, to give added security to trade contracts and industrial cooperation, and diminish the cost of debt.

Secondly, outside the Community, it should resist the dollar and in the long term counterweigh the role of the dollar in the international monetary system. Such an alternative to the dollar is in the interest of Europe

Fernandez

and in the interest of the developing countries. It is unfortunate that the report does not broach this subject.

In addition the United Kingdom's persistent refusal to join the EMS detracts from its viability.

Given these objectives, we consider that giving the ECU a privileged status can be beneficial to European cooperation. Such a beneficial effect must not be vitiated by the granting of similar facilities to other currencies, particularly the dollar. Under no circumstances must we weaken national legislation on exchange rates which provides a rampart against financial and monetary imbalance.

We should liked to have seen the rapporteur make clear the connection between the development of the ECU and a true policy of productive investment in growth and employment. In the absence of such a clear connection, and despite the positive aspects of the report which I have just mentioned, we shall be abstaining in the vote.

Thank you for your attention, Mr President, ladies and gentlemen.

Mr Pasmazoglou (NI). — (FR) I too, Mr President, should like to congratulate Mr Herman on his excellent analysis and draft resolution in an area which is of real importance, decisive, even for the turn-around of our economy, for progress in monetary integration and for our efforts to reorganize the global monetary system.

Mr Herman's proposals certainly go in the right direction. I none the less have one or two remarks and suggestions. Firstly, the organization of the system should be more structured, probably with the early establishment of a European monetary authority invested with power, continuity and a decision-making authority. I believe that strengthening the system in this way would also improve the efficiency and the climate of confidence which are essential to the monetary stability of the Community.

Secondly, we must remember that progress towards stability and monetary union are virtually impossible without a series of intermediate changes in each of our countries, which take account of the special circumstances and problems of each.

The third point, which is connected with the first two, is that economic convergence within the Community ought perhaps to be underwritten by the signing of instruments of accession to the European Monetary System, agreements which set out a number of mutual undertakings by the European monetary authority and the corresponding authorities of each of our countries.

These negotiations and changes should be entrusted to the Commission in its regular meetings and efforts towards financial coordination.

Mr von Bismarck (PPE). — (DE) Mr President, ladies and gentlemen, as we address ourselves to this topic, we naturally do so at a most vitally important moment in the history of the European Community, and I am in agreement with all those who say that the introduction of the ECU as a currency, as something which the citizens of Europe would be concerned with in their daily lives, would be a gigantic step forward from the political point of view.

May I concentrate my contribution to this debate on a different aspect of the matter, something which was touched upon by the person who spoke before me, and may I speak quite plainly, addressing myself also to Mr Herman: I must unfortunately abstain in this vote because in one respect I am afraid that Mr Herman does not show sufficient fear! Fear of what? Fear of inflation! Inflation is an evil snake. It feeds on the illusions of the general public and, above all, the politicians who think that we can create money at will in order to please the public! There are yet more illusions, in other areas, which also contribute to the inflation of the currency, but I shall not make any mention of them now. However, if we wish to complete this European Monetary System we must be aware that we cannot enter on the second stage without the creation of an autonomous institution which would have the power to control the money supply and the cost of that money — the interest rate — if we do not wish to run the risk of providing inadequate guarantees for the stability of the currency. Inflation is an evil beast because, after it has nurtured enough illusions it then goes on to devour the money of the poor — because the poorer members of society keep their money in stockings, the poorer members of society keep their money in drawers, the poorer members of society keep their money in savings banks! And 5% inflation results in the loss of 60% of one's money in ten years. It is really quite scandalous that we have taken so long to grasp this fact. Inflation is also the illegitimate mother of unemployment and of course it is shameless enough to repudiate its child once it is born. So we must take care: if we open the tiniest crack in favour of the misuse of the currency we shall be doing dreadful harm to our communal life, and we shall never again summon up sufficient strength to equal the dollar.

One more thing, which will perhaps be best understood in this House: one of the classes of people amongst the 270 million inhabitants of Europe who succumb particularly easily to the temptation of giving the wheel of inflation a further turn are politicians. They want to please people, they want to achieve things, from the creation of a municipal swimming bath to the building of a federal motorway, and so on, right up to those subsidies which we are all familiar with. Politicians want to ingratiate themselves with their future voters and they naturally also have an eye to strengthening their own position. If we put them in the position of having any influence

von Bismarck

whatsoever on the quantity of money — either as members of a government or of a parliament — then we shall already have lost the battle against inflation.

I have asked to speak in this debate in order to impress upon all of us the horror of such an evil, so that we may all be aware: what is at stake is our moral responsibility towards the poor — and also towards the agricultural policy, it is right to add that — and the well-being of the whole of Europe. For these reasons, I am very glad that we are discussing this matter here today, and I know that during the next Parliament we shall have to discuss first and foremost the following question: how are we to set up this central autonomous institution? Such an institution, you see, presupposes the abandonment of some of their sovereignty by the Member State governments and that is something which we shall bring them to only with great difficulty. The same is also true of the German Bundesbank — the Bundesbank would need a law ratified by parliament in order for it to set aside Article 3.

Let us all admit the truth: inflation is the greatest of evils! We must never again countenance inflation!

Mr Ortoli, Vice-President of the Commission. — (FR) Mr President, although a few speakers have expressed some reservations virtually all of them have spoken of the quality of Mr Herman's report. May I add to that that I find its first quality to be that of being complete — in the best sense of that word, in so far as it provides in a few pages a reference document which gives us a view of the development of the system, of its problems and of the means by which we can provide for its present success and future development. I am therefore very happy to say that in the main the Commission shares the conclusions drawn by this report.

This is the valuable part of the system, which is not particularly visible from the outside, but which we have seen here and must be quite plainly recognized. As regards this point, therefore, I am even more positive than some speakers have been in the light of our observations during the last year, where we have noted a slight improvement in inflation and trade deficit. What is more, by considering our problems together we seem to have made significant progress.

Does this mean that we should not be making any further progress? You already have the answer: I do not go as far as to say that we have to make progress merely to stand still, because I do not wish to resort to incantations, but I think that it is true that the moments arrive when it is good to move on from what has been achieved. It seems to me that we are now at such a moment. And for once there is not a great deal which I wish to retract from the ideas we first put forward two years ago, in 1982. I believe that

at that time we had the measure of the problems and that our proposals were wider-ranging than their mere technical appearance gave to believe.

With that said, I would like to draw attention to four points raised by Mr Herman, in order to consider with you the questions he put and perhaps give some answers — qualified answers — or put to you questions on the report he has made to us.

The first question, which I shall deal with very briefly, concerns conditionality. I think it is no bad thing to introduce this notion into what I might call the mechanisms of general solidarity. It is not true that in emergencies one can help a country or several countries without wondering what use will be made of the Community's aid or of the Community's solidarity. This strikes me as an essential element in any consideration of a mechanism by which we are bound, as indeed of the solidarity itself which we wish to make the most of. I am in entire agreement with Mr Herman in his desire for such convergence as will give rise to general coherence in our Community. On the other hand, if such conditionality were to be extended to cover the full range of Community activity, particularly to mechanisms such as our own conventional borrowing mechanisms — the European Investment Bank, for example, — I should be much more reluctant to agree. For the fundamental purpose of such mechanisms is to enable the Community to give a new look to its regional and industrial make-up, and its energy and infrastructure. And it is my belief that it would be a mistake to introduce too many differing elements into what is aimed primarily at the quality of the projects established by the Member States in response to a number of clearly defined and specified criteria, such as the technology with which we are all so occupied, the small and medium industries which we regard as a priority, and energy, which continues to be a problem in Europe. I could continue for some time on this topic but it is not my intention to do so.

The second question to which I would like to turn your attention is that of the warning signs. Such a question, I would say, has its value, symbolic value, since it forces us to consider questions of convergence and divergence. I believe that the reality is that we already have warning signs of a kind since in daily Community life we continually put to ourselves the problem of economic trends. My own feeling is therefore that although the importance of warning signs cannot be denied the real problem is that of organizing convergence, if I may use such an expression, and that is fundamental.

We are just one month before the fifth birthday of the European Monetary System and this debate is therefore taking place at a time when it is not vain to speculate on possible developments, the success of what we

Ortoli

have already achieved and also on what can be achieved in the future. Following the same line of thinking as the proposition which I made earlier and which was taken up by Mr Bonaccini, Mr Herman recognizes that a new step forward should be taken. A number have described such a step as modest but what, exactly does that mean? Granting political recognition to the value of progress, consolidating a system which has shown itself to be successful, but which in some respects remains in development, and extending our success is no modest undertaking, particularly when we are faced with human nature and the tendency to be satisfied with past achievement — especially here in Europe where for the moment success is so rare that when we have one the temptation is to hang on to it without necessarily always having the ambition to exploit it further.

As a result it is far from modest to wish to develop the European Monetary System, even in ways which are apparently technical but which are in fact more political. It can be said of the European Monetary System, even more than has already been said, that its principal virtue is that it has turned out to be a powerful means of encouraging convergence. The evidence is that it has provided greater stability to European currencies than has been available to other currencies, including sterling which takes no part in the exchange mechanisms. The system has shown the singular virtue of resisting unexpected shocks. It has survived economic, monetary and energy situations which differ vastly from those which were envisaged at the outset: very disturbing, and sometimes very harsh situations. It has without any doubt on occasions been flexible to a fault. But my belief is that it has fundamentally shown flexibility without weakness and that its basic temperament of the system of action and joint discipline has been strengthened over the years. I believe, therefore, that from the point of view of economic policy the principal virtue of the European Monetary System will prove, as a result of the minor constraint of quasi-stability in parities, to have been that it obliges joint reflection on economic policies and on the extent to which they can cohere, and to raise the question when parity changes become necessary, of what have been called accompanying policies, that is to say the policies which can give long-term credibility to the action undertaken through the monetary mechanism. These bring in the need to question first of all the major economic decisions which govern long-term trends, such as budgets and the principal monetary policies, and to question periodically what we called in our own document the differences. What that means is that from time to time we should look at what was envisaged, what had been described as the natural perspective of a particular policy, and to establish the reasons for the differences which sometimes occur and which, as warning signs, point out to us that we have gone off course and that one or other particular economic situation has deteriorated. And then we must start asking why.

Is it because the internal context has not developed in the way that was expected; has the European context changed; was the international context not what was envisaged or, more simply, were the policies proposed not followed? That is the kind of fundamental question which should be answered at the right time, regardless of the word one uses — flashing lights, warning signs or regular meetings. This, of course, involves the Commission as a political institution which must from time to time express its views on national trends.

My purpose in discussing these first two points raised by Mr Herman has therefore been to add further questions whilst acknowledging that the problems themselves have been set out perfectly.

On two final points, which relate perhaps more to the heart of the system, I should like to offer a word in reply to Mr Herman's report.

The first of them relates to the European monetary fund. If we establish the European monetary fund it means that we have the form of European monetary unity which is to be expressed by having a central authority. My own view, which is open to discussion since there is cause for considerable debate in all of this, is that simply consolidating credit mechanisms with a system does not justify disguising the institution by changing its name. The time will come when a more fundamental question will have to be asked. You will forgive me, however, for there we come to the real heart of the problem. That is the moment when we start to create ECUs over and above those which result from the various deposits placed with us and which are at present an absolute limit. The day that Europe adds to the currencies of her individual Member States a currency which she has created herself — regardless of what it is called — we shall have to establish a monetary authority, a European monetary institution.

I have never made any secret of my views on this subject, and I do not do so now. I do not believe that we have yet reached that moment. That does not mean that we shall not one day reach it. It does not mean that we do not have to bring in regularization procedures. And you, Mr Herman, know that the first phase which we have proposed brings together the enshrinement of the creation of the ECU, better remuneration for the ECU, greater acceptability for the ECU and opening the ECU to third markets. These are the principles. Our aims are therefore not without ambition. But the moment for the great step forward to a European currency must be prepared with enormous care. I do not believe that moment has yet arrived. But that does not mean that we should discount a whole range of highly convergent proposals to help for its preparation. You may, if you wish, regard that as my own reservation about the proposal, although I recognize that if we are able to give some meaning to a word which has symbolic value we will have made some progress in the political presentation of our joint wills.

Ortoli

My final point concerns the ECU itself. If I tell you quite calmly that as regards the ECU I have neither fears nor worries, it is because the Commission has been the driving force behind the development of the ECU in all its forms. In company with a number of experts such as Professor Triffin I consider that a currency such as the ECU conceals a spontaneous wealth which we have the duty to help it develop. Which is what we have done. I believe that — as several speakers have reminded the House — there is a legal framework which needs to be consolidated. That framework is, so to speak, its status as a currency, or rather the removal of obstacles to the private use of the ECU. That is the task which we have undertaken, with the intention of acclimatizing it not quietly and peacefully, but vigorously. When we look at the debate which we had barely two years ago on Mr Bonaccini's report, we can see how far the ECU has come. A number of speakers have reminded us of the fact. The ECU is mentioned daily in one or other of the financial newspapers, spoken of as a fact, of a statistical fact, a third currency on the international money market. Achieving this, acclimatizing the ECU has been done calmly, wisely but, it seems to me, unerringly. I am in complete agreement with all those who consider that we must go further but I reiterate that such progress must be made only when we can advance sure-footedly, without faltering. That is my policy and I believe that, far from being based on empty words, it can be demonstrated with hard facts. Achievements have been made, and I believe that the Commission has been essential in achieving them; I believe it is recognized by the House as well. I say it once again: let us consolidate what we have achieved at the same time as we make progress. However, I recognize that work remains to be done. And I am consequently in agreement with the proposal that two or three symbolic acts would be useful to assert the position of the ECU not only with the financial institutions but also with the European citizen.

Our proposal to have ECU quoted daily in exchange rates is simple and requires little. Its advantage, though, would be to show the ECU in the press, alongside the dollar, sterling and the Belgian franc, for example, in a French newspaper. I believe that the idea of striking coins, for all its difficulties, is worthwhile since it would demonstrate that Europe is making progress. Mr Sutra's idea of a competition for the ECU's own external symbol, like the barred S for dollar or the barred L for the pound, is a good idea and I am personally quite happy to support it at the Commission. And thirdly, we must examine the conditions in which the savings account could be established. These are all small steps which at a certain moment take on significance, because they become the spontaneous expression, through well-prepared systems, of a reality which is greater than had originally been imagined.

I have spoken at length, Mr President, on a vast subject, but I have nearly finished: after all, this is no

small matter and my final question goes a long way. That question is simple but it is not when shall we move on to the institutional phase. It is when will you tell us that a European reserve currency can be established, that is a credible alternative to the major currencies. It has happened in the past that I have said that I didn't know when such a moment would arrive and that I didn't know whether it would ever arrive. But I am certain that we have the collective political obligation to do everything to ensure that such a step can be taken if and when the need arises and when the political will is expressed. But that brings you back to the question of convergence, and that of the extent of the ECU. We will not create an ECU without the help of sterling and you will not create it without a real rapprochement in economic policy. That is why this fundamental reconsideration of the extent of the system and the extent of convergence must, as I was saying, take precedence over all plans and ambitions.

(Applause)

President. —The debate is closed. The vote will be taken at the next voting time.

6. Financial integration

President. — The next item is the report (Doc. 1-1237/83), drawn up by Mr Halligan on behalf of the Committee on Economic and Monetary Affairs, on the

communication from the Commission to the Council (Doc. 1-231/83 — COM(83) 207 final) on financial integration in the Community.

Mr Halligan (S), rapporteur. — Mr President, this report is intended as a statement of Parliament's opinion on a communication from the Commission on the next phase in integrating the capital markets of the Community.

The Treaty of Rome clearly envisaged, in addition to the free movement of goods, persons and services across the national frontiers of the Member States, that there should also be free movement of capital and financial services. To a considerable extent, it was this aspect which distinguished the European Economic Community from a mere customs union or common market.

However, this ideal is far from being realized and, as the Commission communication points out, the liberalization of capital markets was halted in the early 1970s and, if anything, has been reversed since then. The Commission argues that a new impetus must be given to this paralysed process; hence the communication to the Council which is the subject of this report.

The central reason why the liberalization of markets and goods has not been correspondingly matched by

Halligan

liberalization of capital markets is that some governments have found it impossible to accompany free movement in goods with mobility of capital, autonomous monetary policies, stable exchange rates and high levels of employment. For countries suffering from persistent balance of payments difficulties, the weakest constraint has been invariably the free movement of capital. The alternative, as my report points out, was to place the entire burden of balance of payments adjustments on monetary policy with obvious deflationary consequences expressed in increased unemployment. Clearly, this was a political price which these governments were not prepared to pay and are still not prepared to pay and I, for one, could not disagree with them.

In addition the oil depressions of the 1970s led to circumstances in which the full employment of resources, notably labour, was no longer a reality, since the optimal allocation of resources, which is the theoretical justification for the free movement of capital, depends on the full employment of all productive factors. It became increasingly clear to some national authorities that totally free movement of capital would result in even greater imbalances between countries and, within countries, between regions, thereby accentuating existing disparities rather than correcting them.

It can be argued and, in my view, with total justification, Mr President, that the Community as a whole did not address itself to this concrete political and economic problem. It did not — and this was a crucial defect arising from a poverty of analysis — produce policies which could simultaneously marry a single, totally integrated capital market with this requirement of balanced harmonious growth between the regions. That is the direct cause of the current impasse within the Community as a whole.

Coming from a small, peripheral economy — Ireland — I totally understand why there is no movement now towards financial integration. If it were to be resumed without compensating policies and without due regard to objective economic realities, it would make a bad situation infinitely worse rather than better. However, the Commission does not propose such a brutally simplistic approach. On the contrary, it favours a gradual process of integration based on solving concrete problems.

The action programme outlined by the Commission, therefore, deserves to be supported by this House because of its emphasis on the need to encourage the free movement of capital by a series of practical proposals designed to establish a unified network for financial services. These cover areas such as the banking sector, the stock-markets, insurance and the utilization of savings. All of these should be collectively and individually supported by this House, and this report makes that specific recommendation to Parliament.

However, one caveat needs to be entered here, and I have already referred to it. The Commission document regrettably makes no reference to the structural problem closely bound up with the free movement of capital within the Community and this is a serious analytical omission which I would hope to see rectified in the future. Countries such as Ireland and Greece and regions such as southern Italy and Sicily cannot be asked to accept the liberalization of capital markets unless there is accompanying structural intervention by the Community on a scale far greater than that available currently under the Regional Fund.

Having said that, I want to say that the Committee on Economic and Monetary Affairs unanimously adopted this report because of the practical basis of the main thrust of the Commission's communication, and we believe Parliament should support the Commission in its broad intent. The report only fleetingly refers to the EMS and the role of the ECU because they have been the subjects of specific reports from the committee, such as Mr Herman's report, and it is necessary for one to do no more than underline the necessity of completing the EMS through the accession of the UK and Greece and the extension of the role of the EEC. Both are necessary complementary steps in financial integration.

I have great pleasure in commending this report to the House for its adoption.

Mr Ingo Friedrich (PPE). — (DE) Mr President, we can read in the newspapers official confirmation that the economy of the European Community is in crisis. Budgets are overburdened and we are beset by debts, unemployment etc. Sometimes I simply can not believe it. The fact is that we treat ourselves to the really incredible luxury of rejecting opportunities to make millions which are there for the asking. The governments of our Member States give the impression that Europe costs money — one or the other is always maintaining that its country is the paymaster — and they overlook one thing, namely that the fact that we *still* have no united Europe costs money, so that cash is in fact wasted. The mere fact of having to change our various national currencies costs the citizens of Europe the equivalent of DM 6 000 million a year. When parties of visitors come to visit Parliament here in France and are obliged to change their money here, they have to pay taxes or commissions. When they change it back again they receive much less in return than they initially paid out. The luxury of still having national frontiers costs DM 30 000 million a year. The luxury of still maintaining a system of suppliers with letters patent as Purveyors to the Court in our Member States costs us a further DM 40 000 million. The fact that we still have no coordinated research at the European level means that we are backward in research in the field of advanced technologies, and so on.

Friedrich

The fact that we still have no common capital and credit market is the reason why we are stuck with speculative, uncontrollable Euro-markets. The antiquated regulations on money, securities and credit restrict the usefulness of the European market, which is, in itself, a big one. The narrowmindedness which still prevails today within the frontiers of Europe is a hindrance to growth and deprives our citizens of opportunities. For this reason, the crisis which we are talking about may actually only be idle chatter, because only a rich country, only a rich grouping of countries, can afford the luxury of ignoring so many thousands of millions which are fundamentally within our reach. Those who take delight in maintaining the national borders should be aware of what they are doing. They must be prepared to accept a considerable proportion of responsibility for the economic difficulties which we are suffering.

It is high time that we began gradually to dismantle the frontiers of Europe, which were erected during the last century, not because we are romantics, who dream of an ideal Europe, but because we are realists, who want to create responsible policies for their citizens. We can improve opportunities for our people by gradually eliminating these borders. The process of opening the borders of Europe in the field of capital flows, and in the field of money and credit will naturally continue to be hampered by the inflationary policies pursued by individual Member States which we have had occasion to observe time and again. So, if we wish to open our borders, we must promote greater currency stability in the Member States. It is, however, typical that in areas where we have succeeded in collaborating we have developed advanced technologies in Europe. Let me mention Ariane and the Airbus. In these cases, where we have collaborated at the European level, we are in the forefront. And in the cases where we have continued to practice particularism we are limping along in the rearguard.

Here, therefore, we have a very important task. If we wish to open up the money and credit markets to the free circulation of capital we need stability for our currencies. We need confidence on the part of bankers in the fact that our governments will pursue stable monetary policies, because we can create no confidence so long as we have inflationary policies. The reports prepared by Sir Brandon Rhys Williams and Mr Halligan are, from this point of view, steps in the right direction. I recommend, therefore, that we should approve them.

(Applause)

Mr Ortoli, Vice-President of the Commission. — *(FR)* Mr President, there is a very close link between the various reports which we are discussing today. At bottom, we are dealing with the same problem. We are caught up in a crisis: how can we make use of Europe in order to overcome this crisis? It is the problem of the continental dimension. One aspect — we shall come back to it again presently — is the

vigour of investment in our Community, which is facilitated by the existence of a united Europe; another aspect is the monetary system; a third is financial integration, and I can be brief on this topic because I have already had the opportunity to speak on it here on various occasions, so I shall simply say that for us this is one of the major objectives of our work. I should like to thank Parliament for the support which it is giving us in our work, because given the importance of financial integration intended to give us a vast equity capital market as well as a system of savings orientated towards the development of industry and services connected with production, it is important that the Council should approve today a number of proposals which are still pending. This is the next stage, and I am happy that we have Parliament's support. I am thinking of the directives concerning the harmonization of measures relating to funds set up for the purpose of collective investment in securities, the free circulation of shares in such investment funds, the proposals for a directive on services in the field of insurance other than life assurance and the directives concerning the taxation of dealings in securities.

Moreover, as you are aware, we are pursuing a policy of lifting restrictions on capital movements. We have spoken of this topic several times today, in this House, and I have heard the rapporteur voice some disquiet regarding the consequences that such a liberalization could have, by accentuating national, regional and sectoral imbalances. I do not intend to add anything to what he has said himself, which was very well said, concerning countries, regions or sectors.

Permit me, however, to observe that we have said that for the moment, irrespective of the general application of the Treaty, we were concentrating these joint measures on equity capital, the idea being that the development should be both bold and progressive. Consequently, I think that this should go hand in hand with closer convergence of economic performance in the Member States; but a European financial area, suitably organized, should also make a contribution to optimizing — as the economists say, whose jargon I do not always like — the allocation of savings in Europe throughout the Community, and why not to the least prosperous economies? Why not? These economies are often those that have the greatest development potential and, consequently, constitute the most promising form of productive investment.

I also want to add that structural preoccupations are by no means absent from the Community's actions either through the spectacular development of lending and borrowing instruments — the sectoral and regional allocation of which has greatly increased — or other proposals, such as those concerning the development of the structural funds or the integrated Mediterranean programmes.

Ortoli

On this matter I think that we have struck a good balance, and I should simply like to say that I have for some time had the feeling that the ambition to achieve the industrial and productive renaissance of Europe was definitely taking root in the countries of the Community and that there was better understanding of what we can contribute, including the abolition of certain taboos, such as those relating to restrictions on capital movements.

President. — The debate is closed. The vote will be taken at the next voting time.

7. Investment policy

President. — The next item is the report (Doc. 1-1264/83) drawn up by Mrs Desouches on behalf of the Committee on Economic and Monetary Affairs, on Community investment policy.

Mrs Desouches (S), rapporteur. — (FR) Regarding investments, I should like to start from one established fact. During recent years the Community has preferred to consume rather than to invest. Between 1973 and 1983 we can see that the share of private and public consumption in the gross domestic product increased by 6 %, whereas the share of investments fell by 20 %. It is obvious that this situation has harmful consequences, and on this point we are all in agreement.

On the other hand, the question of why companies decide or refuse to invest is something upon which there is room for discussion — and we could even discuss it for a very long time. Is it simply a lack of own resources? In that case, those who believe in this hypothesis consider that the problem will be solved if companies are given the benefit of a lighter tax burden: for example, a cut in taxes of the sort that would improve the margin suitable for self-financing. Personally, I remain convinced that a wide margin is not a good enough reason to convince a businessman to devote a proportion of his resources to self-financing.

For this reason, rather than blindly promote — and I emphasize this — an increase in margins, it seems to me that it would be more efficient to link the fiscal economy and investments, for example by speeding up amortizations during the early years, or by means of a partial tax rebate for sums invested, which, moreover, is what the report that I am presenting to you today proposes.

Others consider that there can be no financing without confidence in the future, because any form of investment is a kind of wager on the future — an anticipation, as Keynes said — and I think, indeed, that the psychological aspect is important and that forecasts made by businessmen have a very large influence on their decisions. Unfortunately, we are rather at a

loss in this field. However, the financial newspapers this week have been reporting the investment forecasts of French companies and have observed, with some surprise, that according to Insee's forecasts, themselves taken from the companies' own forecasts, investment budgets are likely to rise by 15% this year, which, for French companies, would represent a real increase in investment of between 5 and 6%. It would appear that this trend is well under way in most Western countries and the national credit institutions apparently confirm INSEE's diagnosis.

Even if I personally welcome this prognosis, in the hope that it is an accurate one, I think that that does not absolve us of the obligation to find out how we can assist or support this tendency, if it is indeed true that there is such a tendency. First of all, it seems desirable, in order to promote investments, to eliminate a certain number of legal, fiscal or administrative obstacles which at present hamper the capital market; we have just spoken about that, so I shall not deal with it again. I would simply like to make three points regarding the report which I am presenting to you. First of all, I think that the Community's borrowing and lending policy is a good one, and that, as such, it should be encouraged, and perhaps even developed further. Need I remind you that in 1983 the EEC borrowed 6 thousand million ECU, which made it possible to finance a considerable volume of investment projects? In addition, these projects are implemented relatively rapidly and we think it would be a good idea, as Parliament has already asked on several occasions, to improve these instruments even further, in particular the new monetary instrument, which ought to be transformed into a permanent instrument.

Second point: public investment. With regard to public investment, it seems to us desirable that Member States should use their available margin of budgetary manoeuvre in order to support the development of public investments whenever that is possible. Of course, the same is true of public-sector enterprises which occupy an important position in fields where there is a demand for high technology.

Finally, my third point. Your committee takes the view that it is important to encourage the satisfaction of companies' capital needs by outside suppliers of capital, for example by means of fiscal incentives designed to promote the investment of savings in shares, as well as to encourage the development of institutions for collective investment in securities.

We therefore ask the Council to adopt the two proposed directives on this subject which have been submitted to it.

We think, moreover, that it would be a good idea, whilst at the same time developing the role of the Regional and Social Funds, to create a fund for innovation and industrial development.

Mr Ortoli, Vice-President of the Commission. — (FR) Mr President, Mrs Desouches has produced an excellent report and she has set out in brief what seems to me, in fact, to be the basis for a policy in the field of investment.

What I should like to emphasize is the central role that must be played by investment in the promotion of durable growth in the economies of our Member States. First of all, obviously, because what we have here is an aspect of demand, and consequently, a macro-economic aspect supporting economic activity, which should, at a given moment in the business cycle, take over from the upturn in activity, which normally results from an increase in private consumption, from increased activity in the building industry and, in more favourable circumstances than those we have experienced, from an increase in exports. But investment is a vital component if, at a given moment, we wish to consolidate and broaden the economic upturn. But there is more than that. What we are principally dealing with today is not a macro-economic matter, or more exactly, we shall not deal only with the figures for the economic situation. We are dealing with a problem of another type, which is: how can we deal with two fundamental data of the present economic situation? The first is the transformation of the world economy and, consequently, the ability to create new instruments, because investment is what will give us the ability to cope with this new demand. It may be new technologies, it may be innovation, it may be a certain number of old industries for which the demand situation has changed. Whatever it is, it is a question of adapting to demand which has changed fundamentally during the last ten years, and it is possible we may be somewhat behind: this is what is called the industrial decline of Europe. I could also speak of the decline of Europe in certain services connected with development.

The second feature, which is just as important, links up with the short-term economic situation. Our present rate of economic growth is inadequate. In other words, our productive apparatus is no longer developed or modern enough for us to be able to return on a long-term basis to the kinds of growth rate which we need if we want to reverse the trend of unemployment. And that is a fundamental feature, because it implies that in terms of competitiveness, and no longer *only* in terms of productive capacity but *also* in terms of productive capacity, we need to be in a position to push back a limit which has got dangerously close. Let me remind you, having already said it here, that what is called the potential growth rate, that is to say the moment at which an economy gets into difficulties, the moment at which the main equilibria are disturbed, that potential growth rate was approximately 5% ten years ago and today it is less than 3%. This is the limit which we must push back, and we shall not do it without investment.

This being so, the whole series of measures which you have proposed, which, for our part, we have emphasized in a whole series of official statements, deserves in my opinion to be given serious consideration. We need to go forward on a wide front, as you said, Madam, a front which consists first of all of the economic and fiscal environment and which will make it possible to acknowledge the need for investment and authorize a more harmonious development of investment. A front which will recognize the need for profit, either directly or by means of the tax advantages which you have discussed, but one which would also acknowledge that, apart from the question of self-financing there is a place for own resources by means of equity capital, and here we come back to the question of financial integration, or for a borrowing policy, and here we come back to what you described as the Community's policy and which I shall not attempt to explain in detail here, since it is known that this is one of the activities to which during recent years I have dedicated most of my time, most of my will-power and, after all, this is one of the activities which have worked well in a Europe where it is said that things do not work well.

Finally, I share the view that, when we come to revise our budgetary notions, as a matter of priority, let us say a matter of major importance, thought should be given to the place that must be occupied by investment. In terms of volume, of course, because we should not forget that the share of public investment has fallen in recent years at a time when budgets have been increasing, but also in terms of quality, because these investments should be made to promote development. The point is not to promote a public investment of whatever kind; what counts is that greater importance should be attached to investment to promote development.

I think therefore that, in the search for competitiveness, economic convergence and solid industrial structures, but also in the search for the aptitude to face up to the demands of the modern world, we shall rediscover investment, and I think that to get economic agents and governments as a whole to admit that this is a matter of collective priority, that an investment drive is necessary today for the Community, seems to me to be — as you have already said — a priority question. I hope that this will be indicated by the vote of your Parliament.

Mr Papantoniou (S). — (GR) Mr President, the enormous importance of productive investment is recognized, I believe, by all sides of this House. Mrs Desouches' report on investment policy explains with great clarity the reasons why it is essential to achieve a major increase in productive investment in the Community and outlines the basic policy measures which will have to be taken.

Papantoniou

The Socialist Group agrees with the analysis contained in the Desouches report. It particularly welcomes the reference to the need to promote public investment, especially in the fields of advanced technology, where the private sector is reluctant to intervene and take the initiative. The Socialist Group also agrees on the need to extend Community financing of productive investment, particularly through the European Investment Bank and the New Community Instrument, because it believes that the financing of investment programmes through Community bodies in priority fields can make a major contribution towards the necessary restructuring of the European economy.

In this context I would remind you of the proposal in the Albert-Ball report for an increase in Community financing of the order of 15 thousand million ECU, on which we basically agree. We also agree on the need to favour investment in small and medium-sized enterprises and to make it easier for them to gain access to Community investment agencies, since the part they play in creating new workplaces and in promoting innovation has proved to be extremely important.

Finally, as regards private investment we must not forget that the effectiveness of any kind of tax incentive is limited, since the basic determining factor in any investment decision has always been — and will remain — demand. Stubborn adherence to monetarist policies in certain large countries which have already stabilized their economies, such as Germany and the United Kingdom, unfortunately leaves only a narrow margin of hope for a turnaround in private investment. Implementation of an active demand-oriented policy aimed at revitalizing economic activity in those countries in which this can still be achieved is thus absolutely essential if there is to be an upswing in investment in the private sector.

Mr Van Rompuy (PPE). — *(NL)* Mr President, my group, the Group of the European People's Party, supports the Desouches report. Both Mr Ortoli and Mrs Desouches have shown — and this emerged clearly in the Albert and Ball report as well — that when it comes to investing in new technologies Europe is lagging behind.

The total share of investments in GNP has fallen to 19%, whereas in the 1970s it was more than 22%. This is a tremendous drop which jeopardizes our economic structures. I am therefore pleased to see that the Desouches report in the first place stresses the need for a revival of profitability. Unless there is a recovery of self-financing by firms we shall not be in a position to promote new investments. When we compare the returns on capital in Europe with the returns in Japan and America, we can see that we still have a long way to go.

On the subject of public investments I am glad to learn that the national governments no longer have to

pursue a policy of pump-priming along neo-Keynesian lines. I feel that this has been clearly borne out by the recent experiences of a number of countries with socialist governments. We are now agreed — and it comes out in the Desouches report — that stimulus for investment has to come at the Community level and be financed by European loans.

In this connection we also endorse the proposal to give a more permanent character to the NCI, and in the coming months, as a consequence of the Albert and Ball report, we shall be voicing an opinion on the proposal to boost investment by 5 000 million ECU, which should bring a further growth of 1% per year.

It is clear that this new investment should be channelled to new technologies and new sectors. Take telecommunications, for example, where there is an enormous potential market. We have to work towards a European industrial market, a market with the free movement of capital, where public contracts are open to everyone and where there are stable exchange rates. The cost of failing to achieve this is quite clear.

We endorse the report, Mr President. We find that there is a growing consensus in this Parliament on the way in which investments should be promoted. Mr Ortoli gave a clear analysis in this connection, and I hope that we can also find a consensus within the European Community to boost investment at the Community level, which can act as a spur for new growth, without creating a burden for national budgets or without our having to take out loans for financing as in the past. We have to go about this in a way which safeguards our economic structure in the long term.

Mr Welsh (ED). — Mr President, I would like to thank Mrs Desouches for her report and congratulate her on steadily coming closer and closer to the consensus about economic management that we are building in this House. With some of my friends I have tabled one or two modest amendments which I think will draw Mrs Desouches closer still, and I am sure in her usual gracious and friendly way, she will accept them.

What I find rather strange about this debate is the myth that seems to be going around that somehow there is a desperate shortage of capital in Europe. There really is not a shortage of cash. What there is, sadly, is a shortage of projects into which cash can be invested and which provide a reasonable, acceptable and commercial return. What I believe we should be talking about is the propensity to invest and not the funds of investment. There are plenty of funds, what we have to do is create the climate in which these funds can be suitably put to work.

When you come down to it, investment is very much a matter of the way one treats one's personal savings.

Welsh

If I turn to Mr Papantoniou, for instance, I suspect that when he invests the savings of the Papantoniou family — as no doubt he does from time to time — he looks for projects which will give him a return, so the Papantoniou millions will grow a little more. He certainly does not put them into projects which are not going to produce a return at all because there would not be any Papantoniou millions. That is exactly what companies do when they are looking for projects. So rather than thinking of ways in which we can force people to do things that the market does not tell them to do, why do we not concentrate on making the market so effective that they are naturally going to provide these investment funds anyway? That is surely what we have been talking about all this afternoon.

Mr Papantoniou says: 'What we must do is have more public investment in new technologies'. Well he is actually right, but he is not right in the way he thinks. If you look at the United States, they have had enormous investment in new technologies, but it has not been the State that has been taking an interest in these companies. The State has been a very big buyer. It has been buying the products, and that is what we want to have in Europe. We want the various Member States to buy the products of the new technologies; not just the ones that are made in their own countries, but the best. There is no reason, for instance, why British Telecom should not buy a Siemens system if that is the best, or why the French PTT should not buy System X, if that is the best. That is the sort of market we want. That is the way we are going to get investment going, not by all this interventionist stuff that has actually brought us through ten sad years in the 1970s to the pretty pass in which we now find ourselves.

If we are talking about investment, let us talk about the things that really matter. That is, making our Common Market an effective one; of mobilizing the potentials and resources of our people in the most effective manner.

In the coming elections we Conservatives will be putting forward a programme for this. It is basically the things that we have been talking about for the last five years: abolition of barriers to trade; harmonization of standards; freedom of capital markets; creation of a European currency; abolition of State aids — and where we have to have State aids let us bring them strictly under Commission control. Those are the sort of things that are going to create a climate of investment. There is a very important agenda before us. These things that I have mentioned will, of themselves, create conditions in which our companies can really return to prosperity. If we concentrate on that and forget about all these ways of fixing the systems, and accept that we live in a mixed-market economy, then I am sure we shall begin to succeed, and I congratulate Mrs Desouches on taking the first new steps towards seeing that very important revelation.

Mr Leonardi (COM). — *(IT)* Mr President, following on from Mr Welsh, we too support Mrs Desouches' report, mainly because we support all moves to widen the scope of the Community. What I would not like to happen is for us to have too much faith in the belief that, by liberalizing and promoting investment, this investment will effectively take place. I also agree with Mr Welsh and the others who do not believe that a shortage of savings is the cause of the lack of investment. We have, in the Community, in absolute terms, the largest amount of savings, greater than that of the United States and Japan, although these two obviously have a higher percentage of savings than ours, if compared with the national product.

It is not therefore a shortage of savings, of ready cash, but a shortage of productive investments which results in a situation, that we have often analysed discussed here, of unemployment and of low profitability in European undertakings. In fact, there is a partial outflow of Community savings to other countries, especially to the United States, and this helps to strengthen industrial sectors in which we are not competitive.

Having said this, I think we must concentrate our efforts on the weak element of the system, i.e. the capacity and propensity to invest — as Mr Welsh was saying — and not be under any illusion that, by increasing savings or liberalizing their use, the problem will be solved. This situation must improve, and I believe that it will improve, above all, if we finally manage to launch common policies in the industrial field, especially in the sectors of new technologies and telecommunications, thus creating ways of making private savings circulate, with a view to the implementation of these common policies and to creating a climate which is favourable to the small and medium-sized industries and to free enterprise.

I therefore believe that the measures to capital transfer, to promote investment and so on, must be accompanied by others directed at the implementation of some common policies which may, amongst other things, result in the investment of private savings in ECU loans — which brings me back to what I heard earlier — open to everyone in the Community.

President. — The debate is closed. The vote will be taken at the next voting time.

8. European capital market

President. — The next item is the report (Doc. 1-1266/83), drawn up by Sir Brandon Rhys Williams on behalf of the Committee on Economic and Monetary Affairs, on the creation of a single European capital market.

Sir Brandon Rhys Williams (ED), rapporteur. — Mr President, I should like to begin by conveying my thanks to the members of the Committee on Economic and Monetary Affairs who adopted my report unanimously with only one abstention. I should like to congratulate our chairman, Mr Moreau, who has guided the committee in producing a batch of ambitious reports this month on related policies for strengthening the financial functioning of the Community, and I should like especially to mention Mr von Wogau, Mr Herman and Mr Hopper who tabled a motion in March 1981, based on a memorandum which I circulated at that time, which is the origin of the present report.

I have no time to do more than outline the intention of the report, which strongly endorses the need to hasten towards the creation of an integrated European market for capital. All Member States are committed to this ideal by the Treaty, but it is an aspect of our treaty obligations which has been sadly neglected. Even in Member States where direct official controls on the functioning of free markets for capital have been entirely or largely removed, informal arrangements and long established traditions are still holding back progress and weakening the Community's economic revival.

This report calls on the Council, Commission and national parliaments to overcome the various forms of resistance to the free functioning of the Community market for capital, so that we enjoy the same advantages as people who normally use the dollar or now, as is increasingly happening, the yen. I hope that the report will speak for itself, but I should like to deal with some possible misconceptions.

My committee wishes to stress that there is no intention of creating an isolated Community capital market within a ring fence of controls. That would not be desirable or practicable. We foresee that the European capital market will eventually be quite free but will be held together by its own internal magnetism. It will retain its own characteristics, partly because of the special close relationships between the Member States on current accounts, and partly through the increasing convergence of national taxation and economic policies, including, of course, an effective regional policy, as Mr Halligan has stressed. It will no doubt develop its own supporting services which will have a specifically European character, and it will be consolidated by the fact that our financial activities take place broadly within the same zone of time.

My committee wants also to stress that we are not interested just in the large-scale movements of funds on the foreign exchanges, or with money-market activities on behalf of governments and official institutions. We are concerned with a whole range of public and private sector capital market activities, including investment on industrial, commercial account, personal lending and saving, and intercurrency trans-

fers of assets. We believe that benefits will flow for the whole Community from the gradual integration of the facilities and services which support the functioning of the capital market, including the rules of the stock exchanges, the commodity markets, house purchase finance, insurance, the personal banking systems, plastic credit, and all the various clearing and giro systems.

A further point is that there is no question of promoting here the idea of a two-speed Europe, divided between those countries which have promoted the integration of their capital markets and are enjoying the benefits, while the other Member States which still feel the need to apply controls remain behind. The strengthening of the Community capital market will constitute a process of general liberalization. All may benefit in all Member States, even while they are not fully participating because of the gains to stability of the whole Community economy, and the availability of more varied and more competitive capital market facilities within our financial system.

The integration of the Community market for capital will also benefit and draw closer to the Community our trading partners in the Third World. It will be a club which all may join, even if not as full members. I believe it is a development which will also help to draw together the economies of the Community in the former Sterling area, the EFTA countries and our neighbours in Eastern Europe as well.

To create an integrated European market for capital is an ambitious objective, but it is the way in which Member States can work together to overcome the weaknesses which are afflicting all our individual national economies. After the disasters which we have brought on ourselves in the first half of our century by the excesses of economic nationalism, we learnt the benefits to be gained by working together in an institution with formal rules. The time may not yet be ripe to establish a new worldwide agreement as far-reaching as Bretton Woods, but in Europe we have seen how much we stand to gain by working more closely together as an economic community. We know how to correct our present economic disarray, but have we the will? I believe our Parliament should point the way, and I hope it will adopt my report.

Mr Ortoli, Vice-President of the Commission. — (FR) Mr President, the view of financial integration presented by Sir Brandon and the measures he proposes in order to relaunch a process which has long been interrupted is fully in tune with the concerns and, I might say, the policy of the Commission. I said as much a short while ago, when I commented on the previous reports.

First let me say that we are fully in agreement with the rapporteur's opinion when he emphasizes that the freeing of capital movements must first of all serve the economic development of the Community and the restructuring and the development of its industry.

Ortoli

Hence the importance, in particular, of more efficiently channelling and guiding savings in Europe towards productive investment, and granting priority to the promotion of the equity market within the Community. This is the objective which we, for our part, pursue in our communication on financial integration.

Freeing capital movements is a precondition for any genuine process of financial integration. But such a process also presupposes setting up a homogeneous financial system throughout the Community. Financial intermediaries should be able, in conditions of equality of competition, to develop their activities on a Community scale, whence the need to continue the efforts we have made to eliminate legislative, regulatory and fiscal obstacles which stand in the way of an interpenetration of national financial systems, in particular in the field of banking, insurance other than life assurance and stock markets.

Finally, I should like to make two comments on the Commission's position.

On the one hand, as the rapporteur has indicated, progress in financial integration is closely linked with progress towards the completion of the European Monetary System. Freeing capital movements is linked, and perhaps subordinated, to the creation of an area of monetary stability and to a closer convergence of economic policies, whilst at the same time it must constitute a factor for discipline and of encouragement to achieve these aims.

Secondly, I agree with the rapporteur when he says that the Community should take an active part in the activities of world financial markets. A more sharply focused financial identity for the Community should not be sought through financial protectionism, but rather actively, through the promotion on a European scale of a competitive financial system and attractive monetary and financial instruments. This does not mean that we do not have another task, the task of creating a more stable international monetary system. That is a matter which we shall doubtless have occasion to come back to.

IN THE CHAIR : MR DANKERT

President

President. — Since it is now time for the votes, the debate will be adjourned and resumed after voting time.

9. Votes¹

HERMAN REPORT (DOC. 1-1251/83 'EMS')

After the vote on the motion for a resolution as a whole

¹ See Annex.

Mr Herman (PPE), rapporteur. — (FR) Just now I made a small mistake, Mr President. Speaking about Amendment No 8 which Mr Purvis tabled to paragraph 22, I said that I was in favour but I should have added 'as an addition' and not 'as a replacement'. I am sorry for this little error which somehow crept in, and for which I accept full responsibility, and can we have it put on record that the amendment by Mr Purvis is accepted but in addition to rather than in place of the preceding paragraph?

President. — I am afraid that the vote has already been recorded, Mr Herman, but your statement can be put in the minutes and the vote will remain as it was.

Mr Herman (PPE), rapporteur. — (FR) I do not want to change the vote, Mr President, I wanted to clarify it.

Mr Purvis (ED). — Mr President, I think possibly Mr Herman is trying to be very generous so that I can get the 10 000 Belgian francs prize for the symbol for the ECU. Is that right?

(Laughter)

10. European capital market (continuation)

Mr Welsh (ED). — Mr President, I would like to pay a short tribute to the rapporteur, our colleague Sir Brandon Rhys Williams. Sir Brandon is giving up his seat at the next election. He has been a Member of the old nominated Parliament and of this Parliament, and the report he has presented today is a fitting end to a career during which he has most assiduously advocated the cause it sets out, that of free capital markets in Europe. His colleagues on the Committee on Economic and Monetary Affairs could probably repeat Sir Brandon's set speech word for word, but we all know that there is no harm in repeating a very good thing.

I would like to thank him for his report which my group wholeheartedly supports. If we have the sadness of losing him here, we at least have the comfort of knowing that there will be a doughty fighter for Europe in the House of Commons in Westminster and, my goodness, we certainly need a few of them there.

(Applause)

Mr Bonaccini (COM). — (IT) Mr President, we Italian Communists welcome the Rhys Williams report on the gradual elimination of obstacles in the way of capital transfers, as being in the spirit evoked a short time ago in Mr Halligan's report too.

However, as we prepare to vote for Mr Halligan's motion, we must in all sincerity say that we have serious doubts about Paragraph 11 of the Rhys

Bonaccini

Williams motion for a resolution, which calls for foreign house buyers to benefit under the mortgage legislation in the different countries. It strikes me as an excessive demand which will surely cause instability on the property and rented accommodation market, which would be very serious but need not be discussed in too much detail now. Also, his explanation in Paragraph 16 for the absence of sterling from the EMS does not seem realistic. The pound sterling may enter today if it wishes, and no one ever kept it out. In spite of these remarks we shall vote for the Rhys Williams motion.

President. — The debate is closed. The vote will be taken at the next voting time.

11. *Petrochemical industry*

President. — The next item is the report (Doc. 1-1108/83), tabled by Mr Beazley on behalf of the Committee on Economic and Monetary Affairs, on the European petrochemical industry.

Mr Beazley (ED), rapporteur. — Mr President, the European petrochemical industry benefits from an outstandingly capable trade press. It is extremely well-informed, it is constructively critical and it can be pungently witty. One of its representatives — and this House will be pleased to learn that it was a very perceptive lady journalist — speaking at a conference of European chemical manufacturers, quoted the last words of that eminent British Victorian statesman, William Gladstone, on his deathbed as being, 'I feel a little better now'. And she concluded her speech by saying, 'Where there is death, there is hope'.

What did she mean? She meant that the current rise in demand for petrochemicals is the short-term effect of the trade at all levels running down its stocks well below the replacement capability of the remaining plants operating at their current low levels of production. And what of death and hope? She meant that the situation calls for radical measures and has done so for a long time. The present seriousness of the situation provides the hope for action.

Why has action been delayed? Not for the reason implied in one of the amendments, namely, that the industry wilfully over-invested at a time when everybody knew that there was no hope of selling the end products. The situation between the first and second oil shocks was very unclear. Export demand in fact increased in 1974 and 1975. No one could guess how successful the OPEC action would be in effecting a permanent increase in oil prices of some 12 to 15-fold. No one could foresee that such would be the profits of the conventional energy-rich nations — in principle, the oil suppliers — that they could invest heavily in modern petrochemical crackers and plastic plants using their surplus flared gas. Nor that within some twelve years they could be in a position, if neces-

sary, to attack both the home and export markets of Europe, the USA and Japan. No one could foresee that one of the Gulf States would buy 25% of the capital of a major German chemical company. Nor that the US chemical and oil companies could tie up joint agreements with those new potentially cheap feedstock suppliers to exploit jointly their technical, production and marketing expertise alongside the cheap feedstocks. Nor, finally, that several of the new suppliers could go it alone.

The difficulty has been in restructuring the very diverse European chemical industry to take account of these very dramatic changes. That is why my explanatory statement considers this to be a turning point for the whole of the international chemical industry, comparable with many of its turning points over the past century. We must be clear that the European chemical industry has been an international manufacturing and trading industry for more than 100 years, that is, before the birth of a united Germany or a united Italy.

So what does my report recommend? It, in fact, very much agrees with Commissioner Davignon's view that the industry must find its own solutions and that these solutions must respect the competition policy of the European Community. A considerable part of the European Community's petrochemical industry is State-run and responsible to national governments. This adds to the difficulty of restructuring, particularly to the danger of the illegal use of State aids to keep inefficient plants running uneconomically and their excessive supplies flooding the market. Both France and Italy have in the past two years or so used their government powers to force through certain nationalization schemes to improve their chance of rationalizing their surplus production by concentrating product ranges within industrial groups. This could be helpful in their case, but the step of making the final cuts to bring production down to the necessary size is, however, still largely to be made.

Nevertheless, important bilateral agreements have been made such as the ICI-BP one, which has been favourably considered both by the British Office of Fair Trading and the European Commission. Montedison has also launched a new policy of creating joint companies with American firms to exploit their research and development expertise, to conquer new markets previously closed to them and to exploit the new capital market of America. No single solution suitable to the needs of all firms exists. Each must find its own solution designed to meet its particular requirement. The Commission has rightly said that it does not want to create a crisis cartel. It recognizes that the synthetic fibre arrangements which it instituted slowed down the process of adjustment by over-protecting the companies involved from the full strength of the market forces facing the industry.

Beazley

What about the unemployment caused by closures? An ethylene cracker employs only about 45 workers, and the total number of workers involved directly in 1982 in the total surplus European ethylene production was only about 500 people. This is a very capital-intensive section of the chemical industry, with low labour usage but labour of high quality. It bears no relationship whatsoever to the steel industry's figures and problems. With a total surplus capacity in downstream plants perhaps 2 000 workers could be employed, but most of these plants have not been fully manned since 1974, or even at that date. Many of their workers have already been redeployed, and the Commission agrees that even with the indirect labour the employment problem is not serious. I believe that it is the responsibility of the firms in the industry itself to relocate these skilled workers, and I do not believe that it will prove to be a difficult problem.

Finally, the chemical industry has always been a science-based technological industry, profitable and capable of change. It is an essential European industry, which vastly benefits our trade balance and provides a high level of growth and stable employment. The solution to the problem must not be one of minor tinkering with the job.

The industry can and must reshape itself now to utilize its capital, its labour and its skills in the most suitable areas for the balance of this century and the two decades which follow.

I do not believe that this means the creation of new, even larger firms. It does mean firms differing in shape, perhaps more specialized, perhaps even smaller in relative terms but, without doubt, firms set up to be world-competitive, stable and profitable, serving industry, the economy, their shareholders and their workers.

Mr Gautier (S). — *(DE)* Mr President, ladies and gentlemen, I should first of all like to offer my sincere congratulations to Mr Beazley for his report. The report shows that he is a distinguished specialist whose many years of experience in industry have left their mark on this report. As Socialists we nevertheless have some reservations with regard to one or two points because although the economic foundations of Mr Beazley's analysis are certainly correct — with regard to worldwide development, in particular, development in the Middle East — we consider his report to be rather too one-sided. It only takes account of the viewpoint of the employer, and purely formal competition-orientated points of view are given greater prominence than the interests of the workers in this industry.

I remember it well: when, almost two years ago, we were engaged in a discussion with a series of Members of Parliament and representatives of the petrochemical industry, the representatives of industry said: 'The situ-

ation is serious, we must reduce capacity. We call upon you Members of Parliament not to put spokes in our wheels, if we put together a small cartel in order to achieve that aim'. I then said in reply to the representatives of industry: 'But it was you yourselves who decided to increase capacity at a time when it could already have been foreseen that such extra capacity would not be needed'. The argument in reply to that was: 'Yes, that is true, but now we want to dispense with the market economy in this domain, because we were wrong'. So businessmen make mistakes, increase their capacity and the employees have to put up with the consequences later, without having had any influence on the decisions taken by these businessmen. As Social Democrats and Socialists, we cannot accept this; for this reason we have tabled an amendment which makes these facts clear once again, since we think that such things should not be passed over in silence in this report.

Now then, what role can the Commission and Parliament play in this affair? In Mr Beazley's contribution the question as to what function the synthetic fibre cartel had had was tackled very well. If I heard correctly, this cartel led to industries being too well protected and the process of adaptation consequently taking longer to work itself out. That is the viewpoint of an employer, Mr Beazley. I now want to explain the viewpoint of the trade unions to you because one of the results of this cartel which you mentioned is also that, with the blessing of the EC Commission, companies get together and make secret agreements and subsequently the workers who are employed in the industry in question have to put up with the consequences, which the employers defend by saying: 'That is something that was approved by the Commission, exceptional circumstances require exceptional measures and so we have permission to set up a cartel. You are kindly requested to put up with the consequences'. And all of that without the employees and their organizations having had any influence on how the cartel came into being and without their even having been once consulted about it.

I think that the same thing is also true of the newest publication by the EC Commission on the ICI-BP case concerning low density polyethylene in which, similarly, two large British or European companies have come to an agreement as to how they should specialize in production without the unions involved having had the opportunity to state their opinion. So we are of the opinion that as Socialists we cannot isolate ourselves from economic realities, but we also believe that the industrial restructuring process — the reduction of capacities — should be organized in such a way that industrialists are not free to reduce their capacities entirely as they see fit, but that the employees and the employees' organizations should similarly have a say and — at least in this particular field — should be consulted and should be allowed to state their opinions. So we have tabled another amend-

Gautier

ment which emphasizes that, in connection with this inevitable reduction in capacities, the Vredeling Directive should first be approved by the Council of Ministers, as the companies in question are often multinational companies and the employees of these companies are not in a position to get hold of the requisite information. So we have asked in our amendment that approval of the Vredeling Directive should be made a precondition.

The last point to which I wish to address myself is the question of general consultation of unions by the Commission of the European Communities. The Commission does not just make policy regarding regulations or directives but also, through its dealings with companies, takes decisions regarding competition or drafts guidelines. At the national level the employers then produce these decisions and guidelines and say: 'Now we have at last received from the Commission confirmation that we should take this or that decision'. We, of course, are of the opinion that the Commission should listen to the unions involved and should invite them regularly to consultations before it drafts guidelines for its own policy or prepares other documents. What is the cause of the failure of these consultations? They fail because the Commission is supposed to have no interpreters. We, as members of this Parliament, can only laugh at such an excuse! We know well enough that a consultation cannot fail merely for lack of interpreters! What we want — this is why we have once again tabled this amendment — is that employees and employees' organizations should be regularly consulted about new developments — not only in the petrochemical industry, but in the entire chemical sector — and on any decisions that have to be taken. If our amendments were to be accepted, then many of my friends and I would be in a position to give our agreement. Should they not be accepted, we shall regretfully have to consider Mr Beazley's report as somewhat lacking in balance.

Mr Leonardi (COM). — *(IT)* Mr President, we welcome and agree with many of the points in Mr Beazley's report. However, I would like to point out that in my view we cannot possibly accept his indiscriminate attack on State aid in a sector like the one under discussion, when he knows very well that entire sectors of the chemical industry, in all countries, developed thanks to State aid given during the war and after.

This is especially important for the petrochemical industry, where private companies called for and made use of State aid — even in a period when it was allowed and we should have foreseen that the oil-producing countries would want to carry out the initial processing of the oil themselves and thus, in short, take control of the petrochemical plants.

It is not true that it was unforeseeable; to direct is to foresee, otherwise there would be nothing to directing. I would like to remind Mr Beazley that the opposition

in Italy during those years managed to prevent huge investment in the field of ethylene which the government had proposed and that had it been implemented, it would have been yet another blow to our country's economy. Enormous waste derives from the inability of private and public undertakings, governments, credit institutions and, with reference to what Mr Gautier said, the bills for these badly designed plants naturally have to be paid primarily by the workers.

In this case there is a specific example in my country, and the surplus capacity is obvious above all in the poorer areas, where large amounts of money went into facile investment in plants which are no longer needed today.

Hence, it is not a matter of attacking State aid but of improving it, regulating it and ensuring that it opens up possibilities of development for private industries also, so that they can operate through the market.

Thus I thank Mr Beazley above all for his report, which I was very interested to read, although it is unlikely that we shall vote for such a motion. For the moment we shall abstain until we have the results of the votes on the amendments.

Mr Cousté (DEP). — *(FR)* For opposite reasons to those which I have just heard expressed, in particular by my good friend, Mr Leonardi, I consider that this report is a very good one. It is excellent and we shall approve it; we hope that it will be amended and we approve it precisely because it is orientated towards the free market and the normal organization of competition in the market and, finally, because the analysis it makes seems to us to be correct from an historical point of view and from the point of view of the present situation, from the point of view of the consequences of the oil shocks, which have been very well analysed, and I believe, in a word, that the fundamental aspects of the situation of the European Community's petrochemical industry have been properly dealt with.

There is Mr Beazley's own experience, but there is also an economic policy approach which in our opinion is excellent. Let me add that his condemnation of Member States' interventions in the business of restructuring the petrochemical industry is also well inspired and that his condemnation, moreover, of nationalizations, in particular those which have been carried out in France, also seems appropriate to me.

This is why the six amendments which we have tabled are aimed — and this is a real necessity — at the organization of the European market in such a way that European companies, whilst abiding by the provisions on competition set out in Articles 84, 85 and 86, may nevertheless be genuinely efficient. Because it is not just a question of satisfying the European market; this European Community industry must be an exporting industry. Well, it is and it must

Cousté

remain so. This is why we have no hesitation in proposing that with regard to companies in State-trading countries — whose prices are political prices in the precise sense of that term — protective measures may be adopted by the Community with immediate effect and even, as American practice has shown us, with retroactive effect.

I shall add that it is indispensable, ladies and gentlemen, that we should bear in mind that several sectors of the petrochemical industry are of strategic importance and that we cannot separate our view of this petrochemical industry from the needs of European security.

Finally, I shall say that we call upon the Commission — and this is my last word, Mr President — to promote all projects for cooperation between companies located in various Member States of the Community and in the countries associated with the Community, not merely in the field of research but with regard to everything that has to do with production, and therefore with economic efficiency.

Mr Ephremidis (COM). — (*GR*) Mr President, the motion and the report are extremely long. Although I got lost in the texts it was not that I was led astray either by them or by Mr Beazley's oral presentation. I found that all the paragraphs in the motion we are debating very elegantly promote the specific monopolistic interests of the cartel that exists in the petrochemical industry in the EEC. As we say in parliamentary language, all it contains is cosmetic provisions. What the report is essentially proposing is a share-out of the production of, and market for, petrochemicals between the members of the cartel, while excluding or making it almost impossible for other national petrochemical industries outside the cartel to operate or even survive. Within the Community this is the aim of the monitoring of State investment and of investment in national petrochemical industries. The aim of the motion is to institutionalize this tactic, which has been forcibly applied against Greece in the following way: Our country had decided to set up an industrial petrochemical complex. Up till 1982 it had spent USD 100 000 000 on this project. However, under the pressure of the cartel, which became stronger and more effective after Greece's accession to the EEC, the plan to set up a petrochemical unit failed, and the plant and equipment is now up for sale in England. With the failure of this project the Greek economy lost a major chance for autonomous development in the strategic sector of petrochemicals, with obvious adverse consequences for employment, foreign exchange savings and the proper exploitation of domestic raw materials such as crude oil, of which 1 000 000 tonnes are exported each year. For those reasons of specific and general interest to Greece we shall vote against this report which is an example of how contradictory you are when you maintain that the

objective of this Community is to remove the imbalances between its various regions.

Mr Tugendhat, Vice-President of the Commission. — Mr President, with the Beazley report, Parliament has launched a critical examination of a whole range of industrial sectors, each very different from one another. Before turning specifically to the chemical industry, I should like, if I may, to make some general points into which I think the rest of my remarks will then fall.

The fundamental principle underlying the Common Market is the concept of a market economy which, by definition, requires enterprises to take their own individual decisions, particularly where their investment and disinvestment policies are concerned. Hence, in a centralized system of this type sectoral studies should never be made with the intention of substituting a *dirigiste* system for one in which the entrepreneur bears the responsibility. This point is made very clearly in the Beazley report which is exemplary in the way it uses a specific example to demonstrate the point, and therefore it deserves the full support of the Commission.

Nevertheless, this guiding principle does not mean that under well-defined conditions the national or Community authorities should not take steps to prevent distortion of competition or to ensure the free play of market forces. Such measures must be considered in their economic context. Subject to these reservations and the understanding that in different economic contexts different measures can be taken, sectoral studies of this type are, we believe, necessary.

While it is true that it is always a difficult and delicate undertaking to evaluate the situation and prospects of an industry in quantitative terms, this is particularly true of the chemical industry which is so complex and so diverse and has such a large scientific and technological input.

The fact that Mr Beazley has succeeded in this onerous task deserves the Commission's gratitude and congratulations. The Commission also welcomes the interest of the European Parliament's Committee on Economic and Monetary Affairs in this industry which has for some years now accounted for 13% of all exports to non-Community countries, and against the background of the deep recession of the past few years has none the less made a trading surplus of 15 billion ECU, compared with the Community's overall external trade deficit of 50 billion ECU. It goes without saying that the Commission fully shares Parliament's concern for this industry sector.

It is entirely logical that the Beazley report should concentrate on petrochemicals, a subsector of the chemical industry which cannot be precisely quantified in macro-economic terms, and any description of which can be made only in terms of a description of

Tugendhat

the economic indicators for its main products ; a way which the Commission has chosen in order to obtain a true picture of the situation.

On the whole, the Commission can go on record as agreeing with most of the conclusions of Mr Beazley and the Committee on Economic and Monetary Affairs. Like them, the Commission considers that the petrochemical industry reacted far too late to the signals indicating the need for adjustment. In other words, the need to re-establish a reasonable balance between capacity and output.

In this context the Commission has analysed the situation and has discussed it with the major petrochemical producers as well as with the plastics converters associations and the organization representing the chemical workers' union.

Like Mr Beazley the Commission stresses the importance of scrapping definitely unprofitable capacity, the continued maintenance of which serves no useful purpose in the long run.

Like Mr Beazley and the Committee on Economic and Monetary Affairs, we also stress that the responsibility for eliminating such capacities lies entirely with the firms concerned.

The Commission can afford to be all the sterner in its approach as the social consequences of these adjustments represent only a fraction of 1% of the total number of people employed in the chemical industry. For well over a year now the industry has made an important effort to adjust, although certainly more needs to be done, in order to eliminate unprofitable and obsolete plants. Nevertheless, in the Commission's view the industry will not achieve a permanent improvement in the supply structure unless it scraps definitely unprofitable plant, particularly for the production of PVC and low density polyethylene, as any capacity that is simply shut down could have a destabilizing effect on markets since the plants shut down can easily be brought back into production thereby leading to excess supply and, of course, finally to depressed prices.

While the Commission has no difficulty in accepting many of the statements and conclusions of the report, it would however like to express a slightly different point of view on the possible impact of the development of petrochemicals in certain oil-exporting countries. The Commission is giving critical attention to developments in the trade in chemicals between the Arab countries and the Community. It is noting what products the former is supplying to the Community market, and what pricing policy they are following. The Commission considers that the economic viability of petrochemical projects depends not only on the economics of production, but also on the economics of distribution and on marketing logistics.

Looking to the future, the Commission is doing all it can within the framework of the Euro-Arab dialogue

to quantify the development of the petrochemical industry in the Arab world and in the Community.

Our future trade relations with the Arab world must also be seen from another angle. Thanks to its external trade, our chemical industry increased its trading surplus between 1976 and 1982 from 10 billion units of account to 15 billion units of account. This increase in the chemical industry's trading surplus of 5 billion units of account stems solely from its trade with class 2 countries, that is to say developing countries, and a good half from its trade with the Arab countries. To put it another way, the development of the Third World is a very clear and well defined chance for the Community's chemical industry which it is, I think, already actively trying to seize.

Mr President, this concludes my remarks on the commercial policy aspects on which the Commission does not entirely share the conclusions reached by the honourable Member.

I would, however, like to return to the structural situation in the Community's petrochemical industry. There are two aspects to consider here : first of all, measures to reduce excess capacity under the rules of competition ; secondly, national aid measures.

The measures we have undertaken under the heading of 'competition policy' can be summarized as follows. A crisis cartel along the lines of that in the synthetic fibre sector must be ruled out for the petrochemical sector. The Commission has explained its position on agreements to secure the orderly reduction of capacity in the Twelfth Competition Report. In the specific case of the petrochemical industry, companies apparently prefer to overcome their problems alone or on a bilateral basis, that is to say through specialization agreements linked with capacity reduction. The Commission has been informed of these arrangements. In assessing these bilateral agreements, the Commission endeavours to take into account the general situation and, in particular, the effects on industrial sectors downstream of the petrochemical industry since these sectors may, under competition law, lodge appeals against authorization of such agreements. The Commission must bear in mind the international competitive situation and the need to ensure sufficient competition between the operators remaining in the market after restructuring. Efforts must also be made to prevent restructuring measures being used as a pretext for walling off regional markets.

On the question of national aid policy, Mr Beazley rightly criticized the many multiple aid measures as having the effect of delaying and distorting solutions compatible with the market economy. The Commission is making greater use of its powers in cases where Member States grant direct or indirect aid to State undertakings. There have been two instances where

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the Commission has deemed State holdings in two companies to be aid measures causing a distortion of competition. Both these cases have been referred to the Court Justice. In this context, and at a more specific level, I would refer to point 17 of the draft resolution in which roles are attributed to particular Commission directorates-general. We agree that it is the Commission's responsibility to obtain a clear and critical idea of the situation and of possible future developments. We also agree that it is our responsibility to work out the options and approaches to be adopted. There is extremely close collaboration between departments, as well as between Members of the Commission, on these points. Directorates-General III and IV work very closely together in the matter.

Mr President, that concludes the short outline of the Commission's views and position. But before sitting down, I would like to comment on two amendments tabled by Mr Gautier. First of all, Amendment No 5. The Commission is not of the view that the necessary elimination of excess capacity should only occur after consultation among companies, unions, governments and the Commission. A lot of time has already been lost and, moreover, a good deal of adjustment has occurred. Given the implications of the problem for unemployment, I think we can leave the necessary decisions to the companies involved and, of course, to their workers' councils.

Secondly, Amendment No 8. Whenever in the past the chemical workers' unions have asked the Commission for an exchange of views, the Commission has always informed them about the evolution of actual problems. This can be continued and, so far as we are concerned at any rate, it can also be intensified.

President. — The debate is closed. The vote will be taken at the next voting time.

12. Beer, wine and alcohol

President. — The next item is the report (Doc. 1-1121/83), drawn up by Mr Hopper on behalf of the Committee on Economic and Monetary Affairs, on the

communication from the Commission to the Council (COM(79) 261 final) concerning the major problems relating to the proposed Council directives to harmonize the structures of consumer taxes, other than VAT, on beer, wine and alcohol.

Mr Sutra (S). — (FR) Mr President, my group is unanimous in asking that this report should be referred back to committee. Firstly, because it encroaches considerably on the domains of many European agricultural regulations without the Committee on Agriculture having been asked for its opinion. In particular, the extension of the definitior. of ordinary table

wines from 13 to 15 degrees of alcohol, without the slightest explanation being given of such a far-reaching revolution in our viticultural regulations, exceeds what may be expected of a report. Above the level of 15 degrees of alcohol the classification continues right up to pure alcohol of 92 degrees without any distinction. We do not believe that this is Mr Hopper's aim, but, in all the categories which he has defined, the drinks with the highest alcoholic strength are favoured over the lighter drinks. This is, therefore, a report which — I'm not remotely accusing him of having had this intention — seems to us designed to encourage alcoholism and in our view is aiming for the wrong objectives.

One final word, Mr President, in order to say that all this would be in flagrant contradiction, in particular, with existing regulations, and especially the regulations adopted in connection with my 1981 report on wines classified according to the French v.l.q.p.r.d. classification. I felt I had to give one or two words of explanation in order to say why we are asking for referral back of this report.

Mr Welsh (ED). — Mr President, I have listened with a growing sense of amazement to Mr Sutra's reasons for referring this report back to committee. The Hopper report was actually on the agenda for the last part-session. At the request of Mr Ligios, it was postponed to this part-session precisely so that it could be taken with the Ligios report, which covers the very points that Mr Sutra has mentioned. It is really not done at all to suggest suddenly, out of the blue, that it now be referred back to the committee.

I really must appeal to the better nature of my Christian-Democratic friends. Very frankly, having accepted your motion to take the two reports together last time, it really will not do for you, gentlemen, to vote for them being taken separately because you do not want the Hopper and the Ligios reports discussed together. If you do that, you are frankly showing a degree of contempt for your colleagues. In a Parliament that on Tuesday voted with enthusiasm to give itself increased powers, this sort of Mickey Mouse monkeying around with the procedure really will not do! I do say to colleagues that they should not abuse the procedure in this way!

Mr Bocklet (PPE). — (DE) Mr President, I regret very much that Mr Welsh should speak of tricks. This matter has nothing whatsoever to do with tricks. We have before us two reports which to some extent deal with one and the same topic. There is a risk that two reports will be approved by Parliament one of which ultimately says the opposite of the other. We want to prevent that happening.

Two decisive procedural mistakes have been made. The Hopper report, which is concerned with the

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taxing of alcohol — which ultimately has to do with agriculture — has not once been discussed at a meeting of the Committee on Agriculture. I should therefore like to ask that such procedural mistakes be avoided in future. For this very reason we are requesting that the matter should be referred back to committee, and not because we did not wish to discuss the two reports together. We could have avoided this situation if, right from the beginning, the other committee had had a chance to give its opinion. For this reason I support the motion for referral back to committee in order to avoid mistakes of this kind in the future. Moreover, there are 58 proposed amendments to the 17 paragraphs of the Hopper report. That is the best proof that the report has not been fully discussed, and you, Mr President, have it in your power to give this motion your support.

Mr Rogalla (S). — *(DE)* Mr President, I simply wanted to clarify the legal aspect because Rule 85 (3) is not clear at all. The Socialist Group is calling not merely for the referral of the report back to committee and the discussion of and voting on the amendments at a meeting of this committee. In accordance with Rule 85 (3) general discussion of the matter is also adjourned for which however, as is stated here, a proposal from the President is necessary, on which a vote is then held without discussion. Rule 85 (3) could be taken, if one reads it superficially, to mean that only the discussion and the vote on the amendments are covered by it. But we want to go further. We wish to postpone the entire discussion, right from the first speaker — this is the reason why we have tabled this motion now — until later, until the matter has been further discussed at the meeting, and Mr Bocklet has already made clear which committees should be involved.

President. — Mr Rogalla, I have a request to apply Rule 85 (1), which is extremely clear. Referral back to committee is asked for. It is a procedure we have often applied: one speaker for, one against, there is a vote, then the report is referred back to the committee.

Mr Hopper (ED), rapporteur. — On a point of order, Mr Bocklet himself tabled amendments to my report over a month ago, and I intend to accept those amendments during the debate. So to argue that my report, which has been before the committees and the House for over a year, has not been adequately considered is simply to talk nonsense. There has been ample opportunity and he has availed himself of this opportunity to move amendments which I intend to accept.

I regard this attempt to delay my report as a procedural manoeuvre. Last month we were asked to delay it so that it would coincide with the Ligios report. Now we are asked to delay it again. We are asked to send it to every committee of Parliament — Health, Agriculture and so on. It will never come back to the

plenary during this session. In fact, it will die. This is an attempt to kill the report. Let us stand up and be honest. Let us debate and let us vote.

(Parliament approved referral back to committee)

Mr Curry (ED), chairman of the Committee on Agriculture. — Mr President, I wonder if you would clarify the situation for me. You will recall that at the last session there was a vote to defer the Hopper report so that my committee could deal with the Ligios report. The committee accelerated its consideration of the Ligios report in order to bring it to this plenary so that they could be taken together. Do you, as President, regard that link to still exist? If it does still exist, is it your intention that the two reports should still be taken together and therefore that the Ligios report also should be deferred?

President. — Mr Curry, I understand your point. I can only say that the Enlarged Bureau — or the presidents of the political groups, in the last instance — have made a proposal to the plenary that the Ligios and Hopper reports be taken together. The House approved that proposal so it is for the House to judge whether its earlier decision is consistent with the decision which has just been taken.

Mr Ligios (PPE). — *(FR)* I fear that things are getting very confused, Mr President. I fail to see what connection there is between my report and the report by Mr Hopper. My report is about excise duties on wine and is based on a judgment by the Court of Justice. Mr Hopper's report refers primarily to a question of competence of the Committee on Economic and Monetary Affairs and ignores all the work that has been done by the Commission and the Council since 1971 and which has now indeed reached the final stage, since only a decision by the Council of Ministers is now lacking. Mr Hopper has just erased everything and started up again a discussion that had finally closed after seven years. Just read the report.

Mr Welsh (ED). — Mr President, further to the point of order raised by the chairman of the committee, the plenary has in fact already decided, because in a motion for a resolution at the last part-session it was agreed substantively to take the Ligios and Hopper reports together and, of course, the gentleman who moved that and defended it most eloquently and convinced his colleagues was none other than my friend, Mr Ligios. Now what is he telling us? He is telling us that he has changed his mind. Just because Mr Ligios changes his mind does not mean that the rest of us have to. So will you please stick by the decision which the plenary — not the Bureau — has already taken.

(Applause from the European Democratic Group)

President. — Mr Welsh, I am very sorry but the plenary decided this time also.

Mr Welsh (ED). — Mr President, what the plenary decided last part-session was that the Ligios and Hopper reports were to be taken together. It has now decided that we are going to refer the Hopper report back to committee and therefore the Ligios report cannot be taken until the Hopper report comes back from committee. That is the effect of the two decisions.

President. — Not quite, I still have Mr Prout, and then we shall start the debate on the Ligios report.

Mr Prout (ED). — Mr President, speaking in support of Mr Welsh, I wish to refer you to the general doctrine implied in the Rules of Procedure of *res judicata*. It seems to me that when Parliament takes a decision in plenary sitting, unless the circumstances accompanying that decision change, then the decision must bind Parliament in its future decisions. I do not think Parliament can change its mind over this matter, because no new factors have arisen since last time to break the link we made then.

Mrs Castle (S). — Mr President, is there not a simple way out of this dilemma for the House now namely, to decide to restore that link by referring the Ligios report to committee too?

(Laughter)

I wish to move.

President. — You must wait a moment, because I have not yet announced the Ligios report.

Mr Sutra (S). — *(FR)* I think the situations are very different, Mr President. The Committee on Agriculture gave its opinion on the Ligios report last week and it was almost unanimous — apart from one vote against — in adopting it. All the Members of the European Democratic Group adopted it because it is based on a judgment by the Court of Justice. The report is perfect and there is nothing that can be said against it. I see no reason for referring it to committee.

13. Taxation of wine

President. — The next item is the report (Doc. 1-1374/83), drawn up by Mr Ligios on behalf of the Committee on Agriculture, on the taxation of wine.

The debate will also include the following oral question with debate (Doc. 1-1315/83) to the Commission by Mr Hord and others:

Subject: Tax on alcohol

Would the Commission accept that France is undermining national markets in ethyl alcohol by exporting subsidized ethyl alcohol and that the imposition of the *soulie* tax on alcohol imports from Member States is contrary to the Treaty of Rome?

Why has the Commission not taken any effective action to preclude these illegal practices?

Mrs Castle (S). — Mr President, I wish to move that the Ligios report be referred to committee, because the Ligios report itself establishes its link with the Hopper report in the clause which calls on the Commission to submit proposals for harmonizing the taxation of alcoholic products, so recognizing that it would be grossly unfair to take the United Kingdom's situation in isolation when far worse discrimination between beer, wine and other alcoholic drinks is taking place in other countries. I hope therefore that the House this afternoon will agree to refer this to committee. Obviously all this is interlinked.

(Applause)

Mr Delatte (L). — *(FR)* I am against referral because it seems really crazy to have decided at the last part-session that the Ligios report should be examined by the Committee on Agriculture and presented during the plenary sitting together with the Hopper report. There is no connection between the two. The idea was for the Committee on Agriculture to give its opinion on the problem of the taxation of wine. As we heard just now, its decision was almost unanimous. I think it is quite unreasonable to propose now that the matter should be referred to committee again. What is the Committee on Agriculture going to do, since it was practically unanimous in voting for the report? It is not going to start considering again a report on which everyone is in complete agreement. Let us deal with it at the plenary sitting and afterwards the Hopper report which has been referred to committee — and I still wonder what reasons there were to justify referral — can be dealt with when it is ready. However, the report by Mr Ligios is ready now, Mr President.

Mr Provan (ED). — Mr President, it has been said that we voted in favour of the Ligios report and that it was therefore practically unanimous in committee. My group did not necessarily support everything that is in the Ligios report. It wanted to make sure that the report could be passed by the Committee on Agriculture to make certain that we had a joint debate this part-session on the floor of the House. That is why my group supported the Ligios report in committee.

(Parliament rejected the request for referral to committee).

Mr Ligios (PPE), rapporteur. — *(IT)* Mr President, the subject of wine taxation has been discussed for more than ten years now in the Community, and the Parliament has concerned itself with this problem several times, even before it was elected by universal suffrage.

Ligios

Wine growing, more than any other branch of agriculture, has witnessed the open and obstinate abuse of the fundamental principles of the Treaty of Rome, such as the free movement of goods, protection of the consumer and equality of all nationals.

Some Member States, clearly to protect their national production of beer or similar drinks, subject the consumption of wine from other Community countries to excise duties which are indirect internal taxes of a discriminatory nature.

The aim of my report, which has stemmed from the motion for a resolution presented by Mr Sutra and others, is to bring to the attention of the European Parliament and European public opinion a problem which is serious not only in legal terms, but also, above all, in its consequences which, European producers and consumers have had to bear for all too many years.

In fact, the low consumption of wine in some Member countries is mainly due to excise duties. The per capita consumption of wine varies from about 90 litres in France and Italy, where excise duties on wine do not exist or are completely negligible, to 8 litres in Great Britain and to only 2 litres in Ireland, that is, countries where excise duties represent 40 % of the consumer selling price of wine.

We agree with Mrs Castle who pointed out in some of her amendments that differences in tastes and traditions exist — traditions which favour the consumption of other drinks and which we must respect. Undoubtedly, however, the reason for the large difference in wine consumption, in a Community committed to free movement of goods, is to be found in the excise duties which certain Member States impose in order to give beer a competitive advantage over wine. Amongst other things, this attitude adopted by certain Member States in levying discriminatory excise duties on a product, fosters social situations which cannot be ignored. In certain countries, because of the high rate of excise duty, the price of wine is increased to such an extent that it becomes a luxury product that only the most well-to-do can afford — as the Court of Justice also notes in its judgment. In truth, it amazes us that this form of discrimination should exist more especially in countries where consumer organizations are among the strongest in the European Community.

I would like to emphasize another point in this unfortunate 'wine' dossier. The Community has a surplus of wine and spends an ever-growing share of its own financial resources in uprooting vineyards and safeguarding the income of the wine-growers. Nevertheless, in the face of this, we have the fact that over 100 million European consumers are being obliged to pay a price for wine which is between five and ten times that obtained by wine-growers throughout the Community.

Therefore, it is obviously risky to refer to wine surpluses, given that there is an artificial reduction in demand. What is more the contradictions within this Community of ours have reached such a pitch that while on the one hand sanctioning protectionism within the Member States, on the other hand it allows the importation of wine — for example, wine from California where the methods of wine-making are a subject of legitimate doubt and considerable concern.

The points in our report have been carefully examined by the Court of Justice of the Community. Last July, after proceedings covering eight years, the Court delivered its judgment on Case 170/78, which was brought against the United Kingdom by the Commission. The Court ruled that the United Kingdom had violated the rules of the Treaty of Rome, especially those of Article 95, which establishes the need to ensure the free movement of goods in all Member States, by the elimination of all forms of protection which may result from the application of internal taxation which has the effect of discriminating against products from other Member States.

In this case, the Court recognized that excise duties in the United Kingdom and other Community countries (Ireland, Denmark) have the effect of subjecting wine to an additional tax burden (and I quote) so as to afford protection to domestic beer production. The effect of this tax system is to stamp wine with the hallmarks of a luxury product, which — the Court of Justice continued — can scarcely constitute, in the eyes of the consumer, a genuine alternative to the typical domestically produced beverage.

Finally, in conclusion, I would like to point out that this is not — as our English colleagues would have it — a clash between wine-producing countries and beer-producing countries or between the North and the South of the Community: discriminatory excise duties are not restricted to wine alone, they also affect other products, and some of these duties have led to the condemnation of other States, including my own country, Italy, which may seem to have gained through this judgment. The basic division continues to be between two groups: those who respect the rules of the Treaty and those who knowingly violate them.

If we, European Members of Parliament, really wish to rise above the individual concerns of our countries, we must fight to eliminate these discriminations from the Community by looking on this and similar reports objectively and by committing ourselves, each in his own country, to the elimination of such serious violations.

Mr President, with the vote in favour of the draft treaty of union the day before yesterday, the European Parliament laid the foundations on which the Europe of tomorrow will be built; but let us not forget that the Europe of today still exists, and each of us must contribute to its consolidation and preservation by voting in favour of this report.

Mr Sutra (S). — *(FR)* Mr President, ladies and gentlemen, let me first of all say how happy I am to have tabled this motion for a resolution, which is at the basis of this report, together with my colleagues, Mr Gatto and Mr Papantoniou and several other members of my group.

I am also delighted to have had Mr Ligios as rapporteur since he has produced an excellent report. He was particularly careful to base it entirely on the judgment which the Court of Justice gave on 12 July 1983. He was right in doing so and was able to resist the temptation to expand on a topic which is vast — this appears in the explanatory statement — and the motion for a resolution basically stems from the judgment by the Court.

The Court ruled on the discrimination between wine and beer which was the result of British excise duty and it decided that there was real protectionism in favour of beer. But you have to go farther than this, Mr President. Since the British excise duty is levied before the goods are cleared through customs, it in fact represents customs duty. This is not just discrimination or protectionism — this is a customs duty between Member States in formal violation of the Treaty of Rome. This was incorporated in my question to the Commission which Mr Dalsager was kind enough to include in the last general debate on agriculture which we had in this Chamber.

Look at the current problems in the wine industry, Mr President. It is a known fact that in the region I come from the wine market is currently lagging 20 % below the prices fixed by the Community. As far as the wine producers are concerned, what is the point of the debate on farm prices we are scheduled to have soon if these prices are never applied and never observed? During the debate we had yesterday afternoon and earlier today with Mr Dalsager and Mr Tugendhat on the agricultural budget for 1984, Mr Dalsager stated quite clearly that he could see no additional means of making the Community prices decided in Brussels apply to wine.

Mr President, there has to be a stop to this discrimination now that we are about to enlarge the Community and, more specifically, now that the wine growers in my region are showing their anxiety and fear for the future, as they did yesterday in Narbonne. It is clear that there are two kinds of farming in Europe: farming which has benefited from the common agricultural policy and farming which has had no benefit from it so far. The discrimination we are talking about is more general and widespread. It has to stop if we want a genuine Community which is genuinely Community-minded and not just a free trade area without any basis in principle.

This is what the Ligios report calls for. It was adopted almost unanimously by the Committee on Agriculture and simply asks Parliament to endorse a judgment by

the Court of Justice. I trust that the House will be as unanimous as the Committee on Agriculture in supporting this report.

Mr Van Minnen (S). — *(NL)* Mr President, I am sorry that I have to draw your attention to a ridiculous matter. Yesterday we had to deal with the matter of a scandalous document left in our pigeon holes, and since then the whole organization seems to have gone mad. A short time ago the Socialist Group, an official group, wanted some of its staff to distribute a notice to the members, a notice from the Socialist Group. The staff were stopped from doing so by a Cerberus-like official who claimed that normal distribution of this kind is no longer possible since yesterday, even though the pigeon holes were supposed to have been put there precisely for this kind of thing to be distributed.

May I ask you if this is simply a misunderstanding, or whether there are some new rules and whether the rules can be changed from one day to the next, or whether you are going to change these crazy rules back again?

President. — You will appreciate that I am careful about such matters and first of all I want to find out exactly what the situation is.

Mr Provan (ED). — Mr President, this Parliament seems to have got itself into a sorry mess this evening on something that should have been a constructive debate for the future of the European Community.

(Cries of 'Hear, hear!' from the European Democratic benches)

I am afraid that we have run away from a decision and from some consequences which might have had some considerable support throughout the European Community. Mr Ligios and his colleagues tonight have taken the fearsome road of trying to drive one section of one problem through this Parliament, and I can assure him that if he tries to do that for very much longer, it will get nowhere whatsoever.

The ultimate thing that he will achieve is to bring greater discrimination into the market and not more rationalization. Surely what we must be trying to achieve is a fair basis for all producers of all sorts of alcoholic beverages rather than trying to itemize one thing and assure greater protection for the wine sector than for any other sector. That will get you nowhere! It will get you nowhere in the Council of Ministers, and, I can assure you, it will bring destruction to what you are trying to achieve in the longer term.

Mr President, it is a sorry state of affairs. We have 10 Member States in the Community and we have got great distortions to all sorts of taxation. We must try and get a proper basis for everybody to operate on. Mr Ligios and the country that he comes from certainly produce wine. There they tax beer, they do not tax

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wine. We in other Member States produce beer and we tax wine. We in Britain want to see rationalization. We want to see a proper and fair basis for everybody to operate on. We are prepared to accept the Court of Justice's ruling. Mr Ligios does not appear to be able to accept that, even although in paragraph 11 he tries to mollify everybody else in the Community by saying that there must be a Commission submission for this. We want to see it just as you do — or as you say you do, but you do not believe it in your heart, Mr Ligios! What we have to do is make sure that spirits, wine, beer, cider or whatever are taxed on an equitable basis.

Mr Ligios, you do not want to see that. You want to go ultra-protectionist and make sure that wine gets a greater advantage than anything else. That is what you are saying in your report: you say it over and over again. I am sorry, but you are looking through rose-coloured spectacles, and it is not worth debating a report like yours in this House!

(Cries of 'Hear, hear!' from the European Democratic benches)

Mr Delatte (L). — *(FR)* Mr President, ladies and gentlemen, in reminding us of the decisions of the Court of Justice the Ligios report highlights very clearly the anomalies in the wine market, which are of course the result of the tremendous variation from one Member State to another when it comes to fixing excise duty.

It is clear that, quite apart from consumers' traditional preferences, there are some countries where little wine is consumed and the main reason for this is not because of traditional preferences but because of the fact that the taxes which are slapped on wine take it out of people's price range.

Everyone knows that these measures are used to discourage consumption and this is of course where the discrimination comes in. If we want to harmonize the price of all alcoholic drinks, harmonizing excise duty on wine and beer, we must consider the Hopper report. The people who have asked for it to be deferred, ladies and gentlemen, are trying to run away from the truth.

(Applause)

As far as they are concerned, I feel that the report by Mr Ligios is quite realistic. It goes without saying that the excise duty on wine has to be harmonized. There are two simple reasons for this that I want to give and I feel that they are important reasons. Firstly, there is no reason to have different tax arrangements for the same product within the Community since this is against the principle of the free movement of goods. The second reason is that the income from these taxes — and it is not negligible — goes to the countries that impose these taxes whereas the lack of sales which then occurs in the producer countries is a

heavy burden for the Community budget in its efforts to dispose of surpluses. There is distortion here, too. And since there is a lot of talk about budget saving, there must obviously be a speedy harmonization of taxes.

I should like to say to our esteemed colleague, Mr Hord — since his oral question is included in the debate — that the tax on ethyl alcohol is quite a different problem from the one we are dealing with in the Ligios report. I simply want to point out that there is nothing illegal in the *soulte* tax imposed by France and that the Court of Justice found that the system applied in France to domestic production differed in no way from the system applied to imports. Consequently, Mr Hord, there is no distortion of competition.

Without being nasty, I must say however that I am very surprised that Mr Hord should table this question when we know what a high rate of excise duty is imposed by his country on wine. There is absolutely no doubt that this is also a barrier to competition in the Community.

In closing, Mr President, let me say that I really do hope that the Ligios report will be adopted and that excise duty can be quickly harmonized, since it is a matter of course of running the Community properly.

Mr Hord (ED). — Mr President, you will be aware that the oral question put down by myself and four other colleagues, on the situation in the alcohol market, is being taken with this report. I understand that Mr Tugendhat, who is to reply to the debate on the Ligios report, is not intending to deal with the oral question.

As this is a matter for the agricultural DG VI, I do not see Mr Dalsager here and I wonder whether he could be present so that he could deal with it. I see that he has now arrived, so my timing, or his timing, is impeccable.

Mr Rivierez (DEP). — *(FR)* I have only a minute and I shall be very brief. Anyway, everything has been said very well by Mr Delatte and Mr Sutra and the Ligios report is perfect.

This is a matter which should have reached us much more quickly because it is in fact a matter of implementing a judgment by the Court of Justice. This is an issue of Community interest, as was made clear by Mr Delatte and the other Members whose names I mentioned. This morning Her Majesty the Queen of the Netherlands asked us to put the common interest before national interests. The fact is that the discrimination in this case is so obvious and the infringement of the Treaty so flagrant that it is absolutely essential to put a stop to it, and this is what the Ligios report asks us to do. My colleagues and I endorse the report.

Mr Martin (COM). — *(FR)* Mr President, together with my friend Mr Maffre-Baugé, I was with the wine growers of the south of France yesterday. They held a big demonstration in Narbonne to protest against the inadequacies and the poor application of the Community arrangements for wine production, but they were also protesting against the discrimination they have to put up with in this Community of traders. These wine growers — and we were with them — were also demonstrating against the enlargement of the Community because it is going to ruin them. They are bound to be interested in this evening's debate and they are going to be delighted at the defeat which the British Conservatives have just had to take.

Let me add that the United Kingdom was rightly condemned by the Court of Justice over the tax which discriminated between wine and beer. This judgment should help to revive the negotiations on the harmonization of the taxes on alcohol. These talks have been at a standstill since the failure of the compromise of 21 October 1981.

The French Members of the Communist and Allies Group would like speedy decisions to put an end to the discriminatory system which penalizes wine especially in certain countries and which encourages the expansion of multinational alcohol companies. We reject the idea that Community harmonization can be based solely on the principle of free trade. This explains why we could not accept the findings of the Hopper report and why we are happy to see it referred back to committee. On the other hand — and this is the last thing I want to say — the Ligios report, based as it is on a judgment by the Court, puts forward constructive proposals for fairer competition between wine and other alcoholic beverages. The Members of the Communist and Allies Group have acted on numerous occasions to put an end to the discriminatory practices which affect wine in certain countries of the Community. These are practices which penalize in particular the wine producers in our regions. The Ligios report reflects our concern and we shall therefore be voting in favour of it.

Mrs Castle (S). — Mr President, the discrimination shown tonight between the treatment of the Hopper report and that of Mr Ligios shows what this debate is all about. It is nothing whatsoever to do with getting a fairer system of taxation; it is merely an attempt once again to mop up the wine surpluses. I hope that my Conservative friends will now support my amendment of the Ligios report, which they refused to do in the committee, because, as Mr Provan has said, all we are facing tonight is the fact that the wine lobby is on the march again.

Discrimination! Why, this Community is rife with it. In West Germany, as has already been said, they tax beer, but they do not tax wine. Has anybody taken the

West German Government to the European Court? Of course not, and I suggest, Mr President, that it is time that the brewers got on the march. Why do they not roll their beer barrels down the Avenue de la Robertsau and put on the sort of demonstration we have at every part-session from the wine growers of this Community? There is discrimination in favour of wine all along the line. There is discrimination in the Community budget where we have earmarked 470 million ECU to help the wine growers. What is there in the budget to help the brewing industry?

We in the British Labour Party reject the Ligios report totally. Why should the United Kingdom be forced to penalize a national preference? Workers prefer beer. We drink a lot of beer because it is a favoured national drink. But we are not discriminating against imported beer. I would be against that. I would be against that sort of discrimination against the same product coming from a Member State. We tax home-brewed beer as much as we tax imported beer.

The simple truth is that wine and beer are not interchangeable. The European Court's judgment is a nonsense. They all must have been drinking a lot of wine. We already tax beer more heavily than any other country. Oh yes we do! That is part of our national social policy. We have a right to tax drinking instead of food if we want to, have we not? That is what I believe, and if you are to add even a few pence more to the pint of beer, you are going to have the workers of Britain up in arms. Their working men's clubs, their pubs, their meeting places, their brewing industry, will all be under threat. Why should we do that? If we were to meet the European Court's ruling by leaving the wine tax alone and putting all the levelling-up on beer, we should be putting another 7p on a pint of beer. What do you think that is going to do to endear the European Community to the workers of Britain?

'Oh', they say 'it is simple. Take it off wine. People would be glad to have a cheaper wine.' We would all be glad to have cheaper taxes all around, but you have got to raise revenue somewhere and the tax on wine in Britain does not raise chicken feed. It raises UKL 665 million or 1157 million ECU. That is not chicken feed. If that revenue goes we have got to find it somewhere else. I know where the honourable gentlemen opposite would want us to find it. By taxing food. They want us to bring VAT into line with the European Community. That is a violation of our national priorities.

We, therefore, in the British Labour Group say that this is an absurd distortion of the purposes, of fair trade. It is merely in order to give preferences to one Community industry — the wine industry — because it cannot put its own house in order and deal with its surpluses by sensible means. I call on my colleagues opposite to vote with us against this report.

Mr Hord (ED). — Mr President, as you know, I do have an oral question down and I presume that the Commission will be giving me their considered reply so that I can then take the floor and put forward a supplementary question.

Mr Dalsager, Member of the Commission. — (DA) Mr Hord's question concerns the tax on alcohol in France and distortion of competition in the market in alcohol, in so far as it concerns agricultural alcohol, i.e. ethyl alcohol. Let me inform Mr Hord that the question has been under consideration in the Commission for some time, that DG IV, dealing with competition, and DG VI, dealing with agriculture, together with the Commission's legal services, will present the results of their investigation in the next few weeks, and that a Commission decision on an infringement case against France will be taken very soon.

Mr Hord (ED). — Mr President, I rise to talk on my oral question about the alcohol market. I think that it would be fair to say that it is no exaggeration to suggest that the situation that prevails in the alcohol market serves to suggest that one Member State, France, still is unable to act as a Member of the European Community, even after 27 years.

I would suggest that the answer we have just had from the Commission is outrageous, because here we have one Member State which for a very long time, going back well before 1982, has clearly violated the Treaty, not once but twice in two major ways. Firstly, France undermines the alcohol market by granting very substantial subsidies to its own alcohol producers. On the other hand it places a tax on imports. I can tell you that alcohol is being dumped by France on Holland, Ireland, Germany, Belgium and on the United Kingdom. Therefore I think it is fair to say that this alcohol market is in ruins.

If that was not enough other Community manufacturers of alcohol find there is a tax barrier, the *soultte*, up to 33 1/3 % placed on their anticipated or proposed imports.

Mr President, I believe that what we have seen this evening from the Commission is a total indictment of the diabolical failures of the Commission to deal with this matter. They talk about an examination. Urgent action is required, I suggest. We have not had any action from the Commission, and I believe that there are people in the Community who are sincerely worried that the Commission fails to be able to do the job that is expected of them. I am sorry that we have had such a pathetic response from the agriculture Commissioner this evening because, as I said earlier urgent action is required and not this pathetic performance of talking about an examination.

Mr President, I sincerely hope that next time we meet we shall understand what action the Commission is

actually going to take. I believe that, having regard to the seriousness of these two issues, nothing short of an immediate application to the European Court is justified.

Mr Dalsager, Member of the Commission. — (DA) Mr President, the Commission has already in the past dealt with the question of French alcohol, and reached an agreement with the French government on a solution at that time. Since then the question has arisen to which Mr Hord now refers, and has been taken up by various departments of the Commission, since it concerns several different parts of the Treaties. This means in this case DG IV and VI, dealing respectively with competition and agriculture, and finally the Commission's legal services which naturally also must take a position on such a matter. I have told Mr Hord that the Commission has come so far in its preparations that the case can be proceeded with and solved within the coming weeks. Mr Hord must wait until the Commission's various services have taken a position. Even if Mr Hord is shaking his head, I am obliged to say that this is the case. The case is being dealt with according to the rules which apply to it, and the case against France will if necessary be brought to the Court in accordance with the rules which apply to such cases. For that reason it serves no purpose that Mr Hord believes that an afternoon meeting in Parliament can advance the case, without any regard for all that must be taken into consideration in such a case, to ensure that all the necessary information is available to the Commission when it takes its decision. For this reason I ask you to regard the matter as being in the best hands available in the Commission. The necessary measures will be taken to solve the problem, which Mr Hord has raised here.

Mr Moreland (ED). — Mr President, I want to start off with a remark which might sound somewhat odd coming from me and that is that Mrs Castle is, of course, right. She is right to say that beer is very heavily taxed in the United Kingdom in relation to the tax on beer in other Member States. Indeed, she knows she's right because during the period that she was a minister in the first Labour government the tax on beer went up by 70%, and in the second government of which she was a member the tax went up by 300%. Indeed, I think there would be very many people in the United Kingdom who would be surprised tonight to hear her as the champion of beer. It's rather like Elizabeth Taylor in the role of a nun.

Well let me say that I agree with Mrs Castle in the sense that I believe that what Mr Ligios is putting across to us is a con trick. I think the first questionable item relates to the judgments. Let me say 'judgments' in the plural, and let me say also that, of course, the British Government has announced that within the next month it will be complying with the

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Court order and accepting the changes relating to wine and beer. What I would like to put to Mr Ligios is this: where there are court actions outstanding in other countries, particularly relating to wine-based spirits in relation to other spirits, are they going to be taken up? Is his own country going to do that? That is what we want to see. We want to see fair play on this. Otherwise, to take the UK judgment, which is a minor judgment in relation to the others, is frankly, taking it quite out of place.

The second point is the obvious point. It is highly questionable to say that wine is more discriminated against across the Community than beer. After all there is no Member State that does not tax beer, yet there are two Member States that do not tax wine and there are a number of Member States that tax wine very lightly. That is why I think that the Ligios report is somewhat one-sided and it is a great pity that we do not have the Hopper report before us which does cover the whole gamut of alcoholic taxes that have to be taken together. It is ridiculous to have a report before us this evening simply on the subject of wine, and that is why I could not accept the Ligios report as it stands.

Then there is another question: it is the whole question of the aid that is granted to wine in relation to other alcoholic products. Can one say that the input from Community expenditure or national expenditures on beer is greater than on wine? Of course not! There are far more State aids related to wine than there are to beer. Indeed one of the problems that the brewers have in the Community, and it is not just a British problem, is, of course, the whole question of cereal prices, and the fact that we maintain very high cereal prices in the Community. So I hope this Parliament will not accept the Ligios report.

Unlike others, I am going to declare my interest. I actually represent an area which has the biggest brewing interests in the United Kingdom and, needless to say, I believe produces the best beer in the Community.

I think some of the others who spoke ought to have said that they came from wine-producing areas and that was their constituency's interest. I would then have a little bit more respect for them. But I do think we have to have fair play on this. There is no way that the Ligios report could be accepted by the Council, and I hope that as it stands, unless it is amended by taking my amendments, the Parliament will throw it out.

Mr Tugendhat, Vice-President of the Commission. — Mr President, the Commission is gratified to note the extent of the agreement between itself and the committee's report on the taxation on wine. Both the Commission and the committee have perceived the need to reduce the excise duties on wine in those

Member States where they are excessively high in relation to the duties on competing products. We both insist on the absolute authority of the Court of Justice, an authority which requires compliance not only by the Member State found in breach of the Treaty and here, of course, people have referred to the United Kingdom in relation to wine and beer. But I would also add that the Commission, of course, attaches equal importance to the position of Italy in relation to other spirits, and in the Commission's view a court ruling is a court ruling whatever country it applies to and we hope very much that countries in all parts of the Community, north and south, will comply with what the Court has ruled.

We also wish to see in place a harmonized system for the taxation of alcoholic beverages.

It is on this last point — on the type of harmonization — that a difference — or perhaps it is only a misunderstanding — arises between us. The committee calls on the Commission in point 11 of the resolution to submit new proposals. The Commission sees no need for new proposals. Our 1972 proposals, together with the compromise package of October 1981 which so nearly succeeded, remain a valid basis for harmonization. Indeed, this is a point that I was making in Rome just a short while ago. Mr Ligios recognizes this in his Amendment No 7 to Mr Hopper's report where he underlines the soundness of the Commission's proposals and requests the Council to conclude its deliberations on this matter as soon as possible.

Mr President, I can only echo the sentiments of Mr Ligios. I call on Parliament to seize the opportunity provided by this report — and I would add, I must say, by Mr Hopper's report as well — to put the taxation of alcoholic beverages back on the Council's agenda.

President. — The debate is closed.

The vote will be taken at the next voting time.

(The sitting was suspended at 8 p.m. and resumed at 9.05 p.m.)

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — To our English friends: the late, late night show has begun.

(Laughter)

14. EEC and Cyprus

President. — The next item is the report (Doc. 1-1337/83) by Mrs Baduel Glorioso, on behalf of the Committee on External Economic Relations, on

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the recommendation from the Commission to the Council (Doc. 1-1269/83) for a regulation on the conclusion of a protocol on financial and technical cooperation between the European Economic Community and the Republic of Cyprus.

Mrs Baduel Glorioso (COM), rapporteur. — (FR) Mr President, as there are so few English or Italian Members present, I shall speak in French.

The problem is not particularly complex. It is in fact relatively simple and I hope that the report which is the outcome of discussions in the Committee on External Economic Relations has already thrown enough light on the topic.

Mr President, ladies and gentlemen, we are debating Cyprus for the third time. On the first occasion, in October, I presented a report on economic and financial relations which was adopted almost unanimously by this Parliament. The second time, in November, concerned the commercial agreement, and today, we are considering the renewal of the financial protocol.

Although the Council has already signed the protocol, this should not prevent us from giving our opinion since it is worth recalling the Blumenfeld proposal of 1981 to the effect that the Council should hear Parliament's views before and not after the signing of international agreements. If the Council wishes to maintain — pending this thorough reform which we called for in Tuesday's resolution — at least some semblance of democratic respect for the European Parliament, it should consult us before taking a decision. In this instance the opinion of the Committee on Budgets which unfortunately arrived after the Committee on External Economic Relations had discussed the matter and arrived at decisions, serves as a reminder of the fact that the Commission has not respected the principles and rules of democracy incumbent on our institutions, as the Commission's proposals which were sent to the Council on 8 September were not forwarded to Parliament until 14 September.

However, turning to the practical problem, the Committee on External Economic Relations, which I am representing here as rapporteur, is in favour of renewing the financial protocol with Cyprus — the Republic of Cyprus has agreed the amount — which provides for an increase of about 50 % in the commitments given for the first protocol. I should point out that the first protocol expired on 31 December 1983 and that the new protocol will run for five years. In other words, the new protocol is 50 % higher than its predecessor, which is more or less equivalent to the accumulated level of inflation in the Community over the last five years.

The new protocol, on which we are to vote this evening, has already been signed, but I should none the less like to point out that, according to the Committee on Budgets, up until the end of 1982 only

15 % of the amounts made available by the financial protocol were used by the Republic of Cyprus. The new protocol provides 44 million ECU — 28 million in the form of normal loans — 16 million from the budget and 10 in the form of non-reimbursable aid.

This protocol has been signed by the European Community and the Republic of Cyprus. This should be said clearly and firmly. This is the first time that we are discussing Cyprus since the unilateral declaration of independence, which places on us a double responsibility.

In a resolution signed by the various groups, the European Parliament condemned the unilateral declaration of independence on 16 December, the day after it was made. We must assume the consequences and the responsibilities which this vote implies. This declaration of independence is serious and has far-reaching consequences in view of the strategic position of Cyprus in the Mediterranean: 18 % of the population live on the north of the island, 40 % of whose territory has been occupied by a foreign army since 1974.

The resolution which I am presenting on behalf of the Committee on External Economic Relations is very short. In substance we stress the fact that the declaration of independence creates concrete difficulties for the government of the republic which, although the situation has changed, is still required, as hitherto, to present joint projects which are capable of benefiting all the citizens of the island. This is a very serious problem since a large number of the island's citizens no longer wish to belong to the republic. This situation will persist as long as the situation of equality which existed formerly has not been re-established.

None the less one thing should be clear — and I shall try and state it as clearly as I can — namely, that the members of the Committee on External Economic Relations who adopted the report — with only two abstentions — do not intend to penalize the Turkish Cypriot citizens of the island by economic measures. It is our intention — and I hope it will also be the intention of this House — to promote the return to legality and to aid the rapprochement of the two ethnic communities who for years have suffered a serious crisis but which will not be possible so long as foreign troops occupy 40 % of the territory of the island of Cyprus.

I shall conclude, Mr President, with two remarks. I wrote the Italian text, but in the other languages there is a mistake at the end of paragraph 1. It refers to 'its people' whereas my text said 'the people of Cyprus.' The second remark is that as rapporteur of the Committee on External Economic Relations, which adopted the report with only two abstentions, I cannot accept any of the amendments which have been tabled.

(Applause)

Mr Ziogas (S). — (GR) Mr President, I should like to thank my colleague Mrs Baduel Glorioso once more for her efforts to ensure that the report under discussion today covers all the points required for a comprehensive presentation of the problem facing the Republic of Cyprus.

The fact that the Cyprus problem is at present a major international issue and the focus of considerable political interest precludes us from confining ourselves to a report on the technical details of the cooperation agreement.

The European Parliament has already taken a resolute stand in condemning, by an overwhelming majority, Denktash's highhanded declaration of a so-called state and calling on the Council of Ministers to take the necessary steps to ensure that the Turkish Cypriot move remains inoperative. However, Mr President, we must not let our determination and our political memories lose their edge when it comes to isolating and condemning acts which violate international law. The attempt to alter the distinctive features of Mrs Baduel Glorioso's motion for a resolution by means of amendments is totally at variance with this Parliament's previous decisions. The proposals tend to gloss over Turkish and Turkish Cypriot responsibility for the sufferings inflicted on the island so far. They paint a misleading picture of reality and challenge the position adopted by the European Parliament.

Furthermore, it must be borne in mind that the Community signed the Association Agreement with the Republic of Cyprus, which is also responsible for the management of the financial protocol and trade cooperation. That is why the Commission, in a statement on 21 December 1983, announced that only goods with certificates of origin provided by the Republic of Cyprus would be entitled to the preferential terms arising from the Association Agreement. At the same time the Commission engaged to take measures which are due to come into force on 1 March 1984.

Mr President, the technical nature of the issue must not blind us to the political problem created by the Turkish invasion of Cyprus. We cannot discuss the protocol on financial and technical cooperation without being aware that for 10 successive years both the territorial integrity of the Republic of Cyprus and every aspect of international law have been trampled underfoot.

Mr President, I believe that a vote in favour of Mrs Baduel Glorioso's motion for a resolution will be the European Parliament's most concrete and courageous act.

(Applause)

Mr Del Duca (PPE). — (IT) Mr President, after the statement made by the rapporteur, Mrs Baduel Glorioso, I do not see any point in dwelling further

on the economic and technical content of financial cooperation. I shall touch, instead, on a number of political and social points underlying the financial cooperation which concerns us.

In spite of its serious social and political situation, the economy of Cyprus has shown remarkable vitality over the past 10 years. Many small and medium-sized undertakings have been formed including family businesses, which have displayed considerable economic vitality and entrepreneurial flair. As a result, the industrial sector of the Cypriot economy has experienced a quite substantial boost. The financial and technical cooperation offered by the Community have done quite a lot to consolidate this young economy.

The Community's action *vis-à-vis* the Cypriot economy has been characterized by a desire to make its own contribution to the entire population of the island. In the past, Community financial cooperation has taken the form of projects and initiatives that have benefited all Cypriot citizens. Certainly, the action taken by the northern part of the island in declaring itself independent makes it more difficult for the Community to ensure that the north also benefits from financial aid. But the Community must, in any case, do all it can to ensure that the financial protocol is applied as in the past.

The Group of the European People's Party declares its agreement and approves the report and recognizes at the same time the need to underline the very real difficulties that flow from the declaration of independence. To this end two amendments have been tabled by my group, the aim of which is to point out the difficulty that exists in pursuing the line followed so far by the Community.

So, in substance, the principle of Community action continues to be to make a financial and technical contribution to the whole Cypriot population, while recognizing and pointing out the difficulties created by the declaration of independence.

For this reason, I recommend and support Amendments 1 and 2, which are primarily formal and political and do not affect in any way the aid policy pursued by the Community up to now in support of the economy of the island.

Mr Spencer (ED). — Mr President, I would like to say a word of welcome to my Greek friends. I do accept — as one of the particular Greek friends said — that this might well have been a moment to leave the discussion entirely to the Greek Members of this Parliament. But I think that would have been wrong, because I do have one area of worry in a great field of agreement. I think there is a wide degree of agreement across this House. We all approve of the protocol. We all accept that it should benefit the entire population of the island. We all condemn the Turkish occupation. We all deplore the unilateral declaration of independence. None of us would want

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to do anything that would give de facto recognition to the Turkish occupied unilaterally declared independent part of the island.

However, this text which has come from my own committee — albeit, I must admit, at a time when I was snowbound in my constituency — contains in Paragraph 2 something which I think is more than an ambiguity. It is a problem. It states, with all the anglican ambiguity of which a certain Member of this Parliament — and he is not English — is capable, that the Community is not in a position to provide financial aid to this part of the island.

My question to the Commissioner is therefore: Does he agree with the statement that the Community is not in a position to provide financial aid to that part of the island as long as the current situation remains unchanged? We are entitled to express our opinions. That is what parliaments are for. But this makes a statement about the possible courses open to the Community. Does the Commissioner agree that it is not currently possible to provide aid to the northern part of the island? My group and I await his decision before we decide how to vote on this protocol.

Mr Adamou (COM). — *(GR)* Mr President, every report on Cyprus is inevitably bound up with the tragic sufferings endured by the Cypriot people over the past 10 years. There can be no ignoring the fact that their sufferings are due to the invasion and occupation of almost half the territory of the Republic of Cyprus by Turkish troops acting at the instigation and with the support of Washington and its chief partners in NATO, which are also prominent members of the Community. The invasion and occupation of Cyprus assist their adventurist plans in the Middle East, which is precisely why the EEC not only did not concern itself with the tragedy of the Cypriot people but in fact did its utmost to prolong it. This was evidenced by its failure to issue a genuine condemnation of Denktash's provocative move in declaring an independent Turkish Cypriot state on 13 November 1983, at the suggestion of Washington and Ankara. Moreover, on the basis of a Council statement, the Community has hitherto regarded trade in stolen goods by Denktash's clique as legal, and indeed worthy of preferential terms, and has recognized the stamps and signatures of the Turkish Cypriot Chamber of Commerce in Nicosia.

The ensuing international outcry compelled the Commission to declare, on 21 December 1983, that it would take practical steps to halt this illegal trade and put an end to the Community's role as receiver of Denktash's stolen goods, and that those steps would take effect from 1 March 1984. We are waiting.

But the obnoxious lobbying at the expense of the Cypriot people continues, as is clear from the amendments to the resolution of the Committee on External

Economic Relations tabled by Strauss's West German neo-Nazis and the British Conservatives. The former seek to strip the Republic of Cyprus, an independent Member State of the United Nations, of its official title, and the latter to prevent Denktash and his supporters from receiving even a verbal warning as to the consequences of a refusal to annul the declaration of the illegal state.

Mr President, the European Parliament today has the opportunity to demonstrate, by voting for the resolution contained in the Baduel Glorioso report, that it does not wish to connive in the crime being committed against the Cypriot people.

Mr Maher (L). — Mr President, on behalf of the Liberal and Democratic Group I thank Mrs Baduel Glorioso for her report.

While the report deals with financial and technical cooperation between the European Community and Cyprus, it is nevertheless largely a political document. I think this is inevitable, as the situation there is very political and very sensitive. I compliment Mrs Baduel Glorioso on treading very adroitly between the extremes on both sides.

One important point she makes in the report is that Community cooperation must be with the legally governed part of Cyprus. I think it is well to remind ourselves that last November this Parliament decided by a large majority to condemn outright the unilateral declaration of independence by the Turkish Cypriots.

I think it would be illogical, and in a way contradictory, if after that condemnation we should then appear to cooperate with that part of Cyprus. That would be a contradiction, and Parliament would have to give an explanation.

So it is the opinion of my group that we should proceed with the maximum cooperation with the Greek part of Cyprus, and in that we support strongly the stance of our Liberal colleagues led by Mr Venizelos in Greece.

We in this Community cannot condone the invasion of the territory of a sovereign State. We cannot be two-minded about this. We have to be quite clear and unequivocal. For that reason this group rejects the amendments put forward and supports wholly the report as drawn up by Mrs Baduel Glorioso.

(Applause)

Mr Pasmazoglou (NI). — *(GR)* Mr President, I too wish to extend my warmest thanks to Mrs Baduel Glorioso for her remarkable report, which is quite consistent and deals with actual events in Cyprus to date.

The text we are asked to approve concerns the legal ties between Cyprus and the Community and the future consequences of Community, and especially European Parliament, decisions. The report complies

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with all the basic principles we observe in our action on Cyprus. Let me stress that the slightest departure from these principles and this consistent stand would encourage illegal acts and, more specifically, separatist movements which could trigger off tremendous upheavals in Europe and all over the world. Mr President, I should accordingly like to make the following brief remarks.

Firstly, the wording of the first amendment tabled is typical. It requests that reference be made simply to Cyprus, rather than to the Republic of Cyprus. But the State which has concluded an agreement with the European Community is the Republic of Cyprus. So how can anyone seek to change the name of one of the two parties to the agreement, as the Christian-Democratic Group proposed earlier through Mr Del Duca?

Secondly, the other amendment — and I say this for information only — begins with the words 'regrets profoundly'. This expression is used despite the fact that Parliament has already condemned the Turkish Cypriots' unilateral declaration of independence. The rest of the amendment essentially conflicts with the decisions of this Parliament and, more generally, of the European Community.

I am afraid Mr Del Duca's statement on behalf of the Christian-Democratic Group is quite untrue. The fact is that if we do not adopt the text proposed by the Committee on External Economic Relations in Mrs Baduel Glorioso's report, we shall be creating both a political and a legal problem.

Lastly, Mr President, let me say with regard to our colleague Mr Spencer's request for the Commission's opinion that we shall listen to the Commission's views with interest. However, this Parliament is an independent body, and any opinion or viewpoint departing from the path of legal and political consistency is unacceptable to it. I also wish to draw attention to the irregularities mentioned by Mrs Baduel Glorioso in the handling of the whole affair by the Commission and by the Council, which concluded the agreement without first consulting the European Parliament.

Mr President, I ask all our friends who are present — the entire Parliament should perhaps be present at this debate — and who work to promote the rule of law and the principles upheld by the Community, to vote for the resolution as it was drafted, with considerable care and after repeated discussion, by the Committee on External Economic Relations and our rapporteur Mrs Baduel Glorioso.

(Applause)

Mr Papantoniou (S). — *(GR)* Mr President, on a point of order. Mr Spencer's question to the Commissioner is misleading, because Paragraph 2 does not mean that the Community must choose to grant financial aid only to the officially recognized State of

Cyprus. The Community is associated only with the Republic of Cyprus and has no other choice than the Government of the Republic of Cyprus.

Paragraph 2 means that the Community cannot force the Cypriot Government to allocate a proportion of the funds to the Turkish Cypriots, because such a gesture would amount to recognition of an act which manifestly violates the independence, sovereignty, territorial integrity and unity of the Republic of Cyprus. The answer to the question asked is clear: the Community cannot coerce the Cypriot Government.

President. — Mr Papantoniou, that was not a point of order. What you have just done is to make a comment.

The Commission will answer Mr Spencer's question itself.

Mr Bournias (PPE). — *(GR)* Mr President, ladies and gentlemen, I shall begin at the end, adding to the remarks of my colleague, who quite rightly referred to what is lawful and therefore binding. Mrs Baduel Glorioso, whom I congratulate — and congratulated on the three other occasions on which she tackled this issue in an equally objective and impartial manner — told us that the Republic of Cyprus (and the Commission and other speakers mentioned this too) had applied the agreements concluded between Cyprus and the EEC equally to the entire population, Greek Cypriot and Turkish Cypriot alike. Furthermore, after all the Republic of Cyprus has suffered, its government cannot be said to be in a position to exact punishment. It does not punish, but neither can it reward. Now, Mr President, after the international outcry and the unanimous condemnation by both states and international organizations, as well as by this Parliament, can we possibly tell those who have violated international law, 'Let bygones be bygones, come and share the rights enjoyed by the Republic of Cyprus'? Who are those who now claim to form a state? I am sorry to see that noteworthy colleagues, together with the European Democratic Group, for which we have a good deal of respect, have fallen into the trap laid by a gang based in Brussels which constantly invites colleagues and journalists either to Cyprus or to Ankara for propaganda purposes, in order to distort the facts.

Mr President, we have a duty to abide by what is lawful and just. This very day our guest, the Queen of the Netherlands, observed how hideous violence was. Do we honour violence? For this so-called state was declared by violent means. So how can we possibly consider it legitimate?

I do not think I have anything further to say, Mr President. We must reject those amendments, though they were tabled in good faith, and follow the course we set ourselves at the start, which demands that we recognize the Republic of Cyprus.

Mr Papaefstratiou (PPE). — (GR) Mr President, today's debate on the conclusion of the second financial protocol between the Republic of Cyprus and the EEC is naturally of particular importance so that country, since the protocol provides for financial and technical aid amounting to 44 000 000 ECU over a period of five years.

But the debate is of still greater importance to the people of an independent state which has suffered for many years under the brutal violations of every rule and principle of international law by Turkey and its few Turkish Cypriot collaborators. For I believe that the majority of Turkish Cypriots, who lived for years in peace and complete harmony with the Greek Cypriots, are thoroughly dissatisfied with the irregular state of affairs now prevailing on the island.

Of course the European Economic Community must strengthen its economic ties with the Republic of Cyprus still further. But our Parliament too, as a democratic forum and a bastion in the defence of the freedom of peoples all over the world, and especially in Europe, has a moral duty to discuss and condemn Turkey's high-handed, illegal acts, as it has repeatedly done in the past and has a further opportunity to do today. One day Turkey will certainly bear the consequences of its frenzied, paranoid policy in the Mediterranean region. We must not forget that this sensitive area arouses the interest of the entire world and that no encouragement must accordingly be given to high-handed, illegal acts of the kind perpetrated by Turkey and Denktash.

Mr President, I wish to clarify one point: our otherwise charming Italian colleague Mr Del Duca, who spoke earlier, certainly did not express the views of the Group of the European People's Party. He expressed his own views. Everyone in this Parliament is naturally free to put across any viewpoint, especially one formed in good faith, as in this case. But I am sure the great majority of members of this Parliament will rise to the occasion and vote for Mrs Baduel Glorioso's excellent report and for the motion for a resolution, which, besides financial aid, will truly provide enormous moral support to the proud and suffering people of the independent Republic of Cyprus.

(Applause)

Mr Dalsager, Member of the Commission. — (DA) Mr President, all the instances of the Community have condemned the declaration of independence of the Turkish-Cypriot community and reaffirm that they continue to regard the government of President Kyprianou as the island's sole legitimate government. Clearly, therefore, the new protocol will be implemented in cooperation with the sole legitimate government of Cyprus. The financial protocol will, however, benefit the entire population of the island, and the Commission, wishing to pursue the general aims of the Association Agreement, will, in implementing the protocol, be at pains to finance projects which benefit

all Cypriots — but, as I have said, in consultation which the government which the Community recognizes as the only legitimate government on Cyprus.

Sir Fred Catherwood (ED). — The Commissioner has not really answered the question. What Mrs Baduel Glorioso and our committee have said is that the Commission is not in a position to aid the people in the northern part of the island under what is styled self-government. How can they do it? Our report says they are not in a position to do it. What the Commissioner has said is that the ideal is that the whole island should be helped; but we say that the Commission is not in a position to help them. Are they in a position? If they are, how are they in a position, both legally and practically? That is the question.

Mrs Baduel Glorioso (COM), rapporteur. — (FR) I shall be very brief. Indeed I cannot deny that the Commissioner made a statement of goodwill, but he has not told us how he intends to proceed. I should like to ask him whether difficulties did not arise in the past because only one fifteenth of the sum available was used. I would suggest that it was not always possible to have a joint project when the island was governed by one and the same republic, and one and the same legitimate and legal state.

In the current situation how can the Commission accept a project which also covers the population of the north of the island if they reject it and if Mr Kyprianou can only present a single project for the citizens of the republic? What will the Commission do? I hope it will not say that it is not its fault, otherwise I shall say that it is your fault.

Mr Dalsager, Member of the Commission. — (DA) Mr President, we are dealing with a technical problem here and, if the Commission accepted proposals or arrangements which did not benefit certain sections of the Cypriot population, it would be tantamount to acknowledging that there were two governments on Cyprus. Of course, therefore, the Commission must — and I take it this is in line with Parliament's views — negotiate with the government which has responsibility for relations between the Community and Cyprus, but in such a way that the arrangements to which the Community contributes on Cyprus benefit all the population, including that of northern Cyprus. There have been technical contacts with northern Cyprus, but that does not mean that the Community acknowledges that there are two governments on Cyprus. The Commission has neither the authority to do so nor any intention whatsoever of doing so. The important thing is that the Cypriot Government which we in the Community recognize puts into effect arrangements which the Community either finances or shares in financing in such a way that the whole Cypriot population can benefit by them.

President. — The debate is closed.

The vote will be taken at the next voting time.

15. *Fuel rationing*

President. — The next item is the report (Doc. 1-1332/83) by Mrs Scamaroni, on behalf of the Committee on Transport, on the

proposal from the Commission to the Council (Doc. 1-624/83 — COM(83) 405 final) for a directive on fuel rationing for commercial transport between the Member States.

Mrs Scamaroni (DEP), rapporteur. — (FR) Mr President, ladies and gentlemen, man is made in such a way that memories tend to be forgotten with the passage of time, and this, perhaps, happens more frequently in the case of unpleasant memories rather than of pleasant. Indeed, perhaps hope which looks to the future also plays a part

We have an unpleasant memory of the first oil crisis of 1973 which saw a fourfold increase in the price of hydrocarbons and the lasting and serious consequences for our economies, of which we are all aware, and at the same time the salutary awakening by the countries of the OECD which followed. Has the risk of an energy crisis completely disappeared? Unfortunately not. There are many aspects to energy security and it can undergo sudden changes. Yesterday it was the major factor in the economic crisis; today it is an additional constraint on the return to economic growth.

None the less, the vulnerability of the world economy to an interruption, sudden or otherwise, in energy supplies has not been eliminated. For that reason we welcome the presentation by the Commission of a directive on fuel rationing for utility vehicles operating between Member States.

This proposal has been made in response to the initiative taken by this Parliament which, by adopting the motion for a resolution on energy saving, was concerned to draw up an emergency plan for a possible energy crisis which would guarantee the best possible distribution of fuel between the various modes of transport on the basis of Community priority criteria.

We therefore regard the Commission's proposal for a Council directive as particularly timely. We feel in general that the distinction between three degrees of intensity in fuel rationing corresponds to the different crisis situations which might arise. The first situation is that of a limited shortage of fuel, in other words a period of tension rather than of genuine crisis; the second situation is one which would lead to fuel rationing by one or several Member States; the third phase, which is referred to as that of acute crisis, would involve severe restrictions on domestic road traffic in the Member States. The Commission proposes corresponding measures for each of these

situations. However, we wish to insist on the fact that, contrary to the third hypothesis put forward by the Commission, that of an acute crisis, we do not agree that this crisis would make itself felt gradually. We are firmly convinced — and the 1973 and 1979 crises have shown this — that an acute crisis could occur almost instantaneously and without warning.

Basically what we want to say is that the measures contemplated to deal with an acute situation seem very inadequate. The proposals should be made more operational, since it would clearly be difficult to discuss objectively the selectivity criteria once an acute crisis has occurred.

More specifically, we would point out to the Commission that it would not be appropriate to debar non-resident transport vehicles from the refuelling arrangements. Since it would be impossible to debar all border transport, the Commission's proposal should be amended with a view to providing wider authorization. It must be remembered that most inter-Community transport is in fact border transport.

Our committee took the view that the Commission's proposal should be amended to make it more practical and more operational.

The amendments we have adopted primarily concern the reintegration of border traffic in the refuelling arrangements by providing a simpler system for allocating fuel, since these carriers very frequently cross frontiers.

The other group of amendments concern the communication by the Member States of the selectivity criteria for granting fuel coupons to enable the Commission to harmonize them, so that in any event the conditions governing the issue of fuel coupons are known to other Member States, thereby permitting them to adopt adequate measures.

The Committee on Transport believes that these amendments would strengthen the proposal and hopes that the Commission will submit a new proposal modified along the lines suggested. Finally, the second part of the emergency plan to deal with fuel rationing in the case of other vehicular transport, particularly business travel and tourism, should be presented as soon as possible.

Those who are concerned about the future and are calling for the action required are well aware that it requires an effort of Community organization which I hope will receive more and more support.

Mr Dalsager, Member of the Commission. — (DA) Mr President, to begin with, I should like to thank Mrs Scamaroni for this report.

The aim of the directive we are dealing with here is, at times of crisis, to safeguard the supply of fuel to transport undertakings based in the other Member States

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and providing transport between Member States under the same conditions as those applying to inland transport undertakings.

The directive considers three different crisis situations as far as the supply of fuel is concerned. Firstly: in the case of a limited crisis, not leading to fuel rationing, transport by road between the Member States can be maintained without the application of special measures, simply by adhering to the principle that foreign and inland transport undertakings should be treated equally. Secondly: in the case of a grave crisis, forcing one or more Member States to introduce rationing, the maintenance of traffic between the Member States requires the prior introduction of a Community structural policy and the adoption of common criteria for the distribution of fuel in the event of rationing under a common procedure and on the basis of a common form. Thirdly: in the event of an acute crisis situation, in which it would be necessary to impose an order of priority through the distribution of fuel coupons, depending on the nature of the transport or the goods carried, or by introducing quotas according to state of home base, the Member States must be able to consult with one another and jointly decide what priorities should be laid down in the prevailing circumstances on the basis of a procedure previously decided at Community level.

This proposal should be seen only as a first initiative which the Commission has taken in the transport sector. It will be supplemented in the near future by other initiatives covering private cars, shipping and possibly other forms of transport.

The Commission can go along with the amendments proposed by the European Parliament, for example, those amending Article 3 and Article 6, which call for a more precise definition of the scope and aim of the proposed directive, and we shall put to the Council an amended proposal which takes account of the amendments proposed by Parliament.

The first amendment, No 3, draws attention to the desirability, in addition to the procedures laid down in the directive, of bilateral agreements and more simplified procedures for the distribution of fuel, in the event of rationing, to international transport undertakings operating within 50 km from the border in question. Under the second amendment proposed, No 4, certain criteria would be laid down in advance for the issue of fuel coupons in the event that the shortage of fuel arising was so acute that existing fuel stocks did not cover requirements as regulated by rationing. The procedure is the same as that proposed by the Commission, but the Committee on Transport proposes that we should try to lay down the selection criteria in advance. The Commission can only support this proposal.

President. — The debate is closed.

The vote will be taken at the next voting time.

16. Humanitarian aid to Vietnam

President. — The next item is the report (Doc. 1-1344/83) by Mr Cousté, on behalf of the Committee on Development and Cooperation, on humanitarian aid to Vietnam.

I must inform the House that there is a corrigendum to this report.

Mr Vankerkhoven (PPE). — (FR) On a point of order, Mr President, I should like to express my surprise — and that is a euphemism — that the allegedly final version of Mr Cousté's report which has just been distributed to us does not correspond to the text adopted by the Committee on Development and Cooperation.

If I had not noticed this this morning, no corrigendum would have been distributed and we would have been expected to vote on an incomplete text. This is even more surprising in view of the fact that the version distributed last week in Thailand, during our meeting with the Asean parliamentary delegations, was quite complete. I hope, Mr President, that some explanation will be given of the facts I have just referred to.

I note moreover with regret that the Commissioner responsible, Mr Pisani, has not been able to be present this evening and I wonder whether it would not be better to hold over a debate of this importance until the next part-session.

Mr Cousté (DEP), rapporteur. — (FR) Mr President, my colleague has just put two valid questions. With your permission I should like to answer each of them.

Firstly, concerning the corrigendum, he has noted, as I have done, that paragraph 4, which was the subject of a very important corrigendum, has been omitted. I, personally, do not know why, and I think that my colleague's suggestion is excellent; you should take steps, Mr President, to find out why. That is the reply to the first comment.

As regards the second comment, you will note, Mr President, that the seats in this House are empty not because it is a night sitting — it is not particularly late — but because the ACP-EEC Joint Committee has mobilized a large number of our colleagues for the purpose of briefing its members. Moreover, I do not see how, in the absence of the Commissioner responsible, who has himself been prevented from attending by the same need to prepare for the important Brazzaville meeting, we can hold this debate. Although we understand the Commissioner's absence, we cannot accept it, which is why, on behalf of my group — and not only on my own personal behalf — I ask that this report be taken in March, and I leave it to you to decide whether the first or second March part-session is the most suitable. I am convinced that my request,

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which is based on a request by my group, will receive the support of everyone who agrees with me, not merely from a political point of view but on the basis of the normal behaviour of a parliament which is called upon to deal with a question as important as that of granting humanitarian aid to Vietnam which, as you are aware, has been suspended in all its forms by the Community since 1979.

President. — Mr Cousté, your report cannot possibly be debated in March. The agendas for the two March part-sessions have been worked out, and they are completely full. Please do not insist therefore on March. Let me put one question to you: Why should we not push on with our debate now and vote tomorrow? That would enable us to get the whole question of aid to Vietnam sorted out.

Mr Cousté (DEP), rapporteur. — (FR) My suggestion, Mr President, is quite simple and I am still presenting it on behalf of my group. I wish to present this report whose importance will, I am sure, be stressed not only by those who are present but also by those who are absent and, I hope, by the press. But I do not wish that the vote should be taken tomorrow morning, since, as you will well understand, we are going to be voting under quite unacceptable conditions. I therefore ask that the vote be held over until the March part-session. It should be short, since a vote is not like a report and does not need to be presented or even necessarily debated. I feel, Mr President, that we can follow this procedure, which we have often used in debates which have been less important than relations between the European Community and Vietnam. I believe that this is a reasonable and useful proposal and I hope that you will be able to accept it.

President. — Ladies and gentlemen, to that I must give the following reply. Mr Cousté suggests that we should perhaps hold the debate now and that it would be preferable not to have the vote tomorrow. The decision not to vote tomorrow must be taken tomorrow morning at 9 o'clock; it cannot be taken now. I would propose therefore that we hold the debate now. Tomorrow we can see whether or not we can have the vote. There are other procedural possibilities for holding up the vote tomorrow — you know them better than I do — but I do not want to invoke them now. At any rate, let us go through with the debate now so that the aid to Vietnam can be put in train as speedily as possible.

Mr Cousté (DE), rapporteur. — (FR) Mr President, I thank you for informing me that I may raise this question again tomorrow morning.

President. — Yes, you certainly may do so.

Mr Cousté (DEP), rapporteur. — (FR) You may rest assured that I shall do so on behalf of my group, and I would hope that other groups will back me up on

this, if only to give an opportunity to the Commissioner responsible, Mr Pisani, to reply.

In any case, faced as we are with such a serious problem with many delicate implications, I believe that my request will be favourably received tomorrow. I would certainly hope so at any rate.

Be that as it may, I am delighted to pay a warm tribute first of all to my colleague, Mr Deniau. If the task of carrying this matter through now rests on my shoulders, that is due to special circumstances with which many of us will be acquainted.

I should like to say first of all that the approach I wanted to take in drawing up this report is exclusively a humanitarian one. I believe that we must make a firm request that Community aid be given to Vietnam and that this aid be of a strictly humanitarian nature, that is to say, that it be directed to the more vulnerable sectors of the population: children, the nursing mothers, the aged and the handicapped.

This humanitarian approach is particularly necessary in the case of Vietnam, because at the present time it is the only developing country that receives no Community aid whatsoever. Furthermore the situation in this country justifies giving such aid. It is one of the poorest countries in the world with one of the lowest annual per capita incomes, which still falls short of a figure of 200 dollars. In addition, there is a further characteristic feature of the country that we must remember, and that is that 41% of the population is under 15 years of age and 16% under 5 years of age. The food situation gives all the more grounds for concern by reason of the fact that there is a chronic shortage of food in the country. The fact that there are virtually no animal proteins to be had, and particularly milk; has led to an extremely high incidence of malnutrition, particularly amongst the children, the pregnant women and the nursing mothers.

With regard to the health situation, the high incidence of child malnutrition is reflected in a very high incidence of contagious diseases: malaria, tuberculosis, conjunctivitis, diarrhoea, respiratory infections, whooping cough, measles, diphtheria and tetanus. As well as that, there is a crushing shortage of medical supplies such as x-ray films, sutures for operations and even the most common medicines.

That then is the situation. In the light of the special needs I have mentioned, it is essential that some international organization that is above suspicion — I would think of Unicef, which affords all the guarantees that might be required — should take charge of this aid, seeing to it that it gets to its destination, keeping a check on the way in which it is distributed and in particular seeing to it that it reaches the more vulnerable groups that I have already referred to. Indeed Unicef has always worked in Vietnam, and its integrated child care programme was set up in 1976, that is to say, immediately after the end of the war.

Couste

The Unicef programme aims at providing essential services to children and mothers in the nutrition, health and education sectors. This organization enjoys considerable independence, and this is a point that I would stress. It has a sizeable team of international officials on the ground and it enjoys an unblemished international reputation with the authorities. Furthermore, the Unicef Executive Council approved the continuation of its Vietnam programme at its May 1982 meeting, and we must also remember that Unicef, playing as it does an active part in coordinating programmes carried out by other international organizations, incorporates in its own programme the well-known World Food Programme. In this connection I might point out that the United States of America has never been opposed to this World Food Programme. The food aid project in favour of children and nursing mothers approved in 1982 was, in fact, carried out by Unicef in perfect liaison with all the parties concerned.

All the Member States of our Community, with the sole exception of the United Kingdom, give humanitarian aid and sometimes even commercial or development aid. Several Member States give emergency medical and/or food aid, share with non-governmental organizations in financing projects, extend trade concessions and take part in cultural and technical cooperation programmes. France, for its part, has resumed its food aid deliveries.

As far as the Community is concerned, the situation is as follows: since 1979, when the Commission suspended its food aid, it has only twice given emergency aid in the form of medical supplies following upon natural disasters. However, I must also point to the significance of the replies given by the Commission and the Council to written questions tabled by a number of my colleagues. Both institutions have stated that the Community could give aids of a strictly humanitarian nature to Vietnam through an international organization or a non-governmental organization. It is these replies that have guided my thinking in this report.

With regard to the question of the refugees, which is always uppermost in our minds, I would only like to say that the programme of controlled departures, supervised by the High Commission for Refugees, has put an end to the massive exodus of the boat people. Thanks to this programme, the number of Vietnamese leaving the country legally is now roughly the same as the number of boat people.

Finally, I have to face the fact that the report does raise a question of principle and I shall try to be as clear as possible on this point, so that Members from all sides of the House will have time to think about the matter before they are asked to vote upon it. Do political reasons justify us in refusing humanitarian aid intended for certain sectors of the population? Well, I do not think that they do. The international

community, acting through the international organizations I have mentioned, such as Unicef, and the Member States of the Community, by means of their bilateral action, have already given a positive reply to this question.

That is why I feel sure that this House will decide that the Community can and therefore must support the Unicef programme for Vietnam with food and medical aid. Some amendments have been tabled, but I do hope that I will not have to give my views on them until a later part-session. That is what I shall be asking at any rate, Mr President, tomorrow morning.

Mr Habsburg (PPE), *deputy draftsman of the opinion of the Political Affairs Committee. — (DE)* Mr President, the Political Affairs Committee has had to deal with Mr Couste's report under unusual conditions — that is to say, under the pressure of events. We did not receive this report until the very last moment, when the last vote had already been taken in the Committee on Development and Cooperation. For this reason, Mr d'Ormesson, who had been entrusted with this matter as draftsman of an opinion and for whom I am deputizing this evening since he cannot be here, was only able to produce an oral opinion, and so the entire matter has been dealt with orally. My duty now is to provide an oral presentation of what came out in the Political Affairs Committee.

During the discussions in that committee, two questions of decisive importance emerged: the psychological effects, which, of course, are of particular interest for the Political Affairs Committee as a political body, and the question of controls — that is, whether the food really reaches the population. In its opinion, adopted orally by a majority, the Political Affairs Committee therefore stipulates three conditions for agreeing to a humanitarian aid to Vietnam.

First, it demands a termination of the occupation of Cambodia — one of the great problems of humanity as a whole — for the simple reason that the Cambodian people, who have already suffered so much, are particularly suffering from the occupation. I need only point out that, as I learnt this morning from Singapore, another Vietnamese poison-gas attack has just been launched against the village of Obok in Cambodia, as a result of which 2 500 persons, victims of poison-gas burns, have fled to Thailand. These are facts which naturally have influenced the Political Affairs Committee.

The second condition is, of course, that the distribution must be carried out by non-governmental organizations, and the third is an absolute guarantee that this aid really reaches only those who are in need and is not used for the purposes of the Vietnamese Army, particularly the army of intervention in Cambodia. If all this is assured, the Political Affairs Committee can agree to this idea, particularly as Mr Couste's report has been excellently prepared, as is the rule in his case. The committee stresses, however, that these

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conditions must be fulfilled, and the most important of them is that the aggression in Cambodia must stop. If we support the aggressors, we encourage them, whereas it is in our interests and it is our duty to discourage them. This has been constantly stressed by our friends in South-East Asia, who have urged us not to give way since the aggression in Cambodia is today the worst crime against human rights in this part of the world.

(Applause)

Mr Key (S). — Mr President, may I, from the outset, state that Mr Cousté's report deserves to be praised — first, for its comprehensive nature, and, secondly, for the fact that he has steered through potentially very dangerous political waters. He has produced a report the slant and focus of which are truly humanitarian.

As for the first point, the report paints a complete picture of a country trying to rebuild an economy and a social system shattered by 30 years of war. It documents how the Vietnamese Government is aware of the need to provide very basic services to its people, in particular for its young people. One fact points this out: 41% of the population of this country is under the age of 15 years. That gives us an idea of the immense undertaking which the Vietnamese Government has embarked upon. They are not only aware of the need to provide essential services in the fields of nutrition and health of mothers and children, but they are consistently striving to upgrade those services. That is where Unicef and the Community come in. At a time when the international community has been taking a long, hard and critical look at some of the United Nations' specialized agencies, it is heartening to say that Unicef's reputation as a professional and effective international organization is untarnished. It is genuinely recognized that Unicef has successfully fulfilled its terms of reference, which are to provide essential services for children and mothers.

I think the key reason for its success is that children are not a political issue. No one would ever wish to make children hostages to the fortune of politics or other things. That is why the international community and this Community must rise to that responsibility.

I hope that the report before us today will dispel some of the myths and show once and for all that it is not impossible to deliver aid to those people in need. We can use the organizations and the agencies that are available.

May I draw your attention to one important point, and that is that there is a complete inventory in this report of what each EEC country has done. Only one country failed to contribute anything and, unfortunately, that was my own.

Having said all that, I must also voice some strong reservations on certain points in the motion before us.

The first concerns Vietnam's costly military occupation of Kampuchea. The Kampuchean people have, through no wish or action of their own, written some of the most tragic pages in contemporary history ever since the government of the Prince was toppled in 1971, thus putting an end to the only government Cambodia has had over the last 15 years which could claim to be in any way national or representative. The Kampuchean people have suffered at the hands of a succession of right- and left-wing dictatorships, of which the Khmer Rouge was the most destructive. I do not see any prospect for change at the moment. Kampuchea is, and is likely to remain, a pawn in the struggle between the superpowers in South-East Asia. Indeed, we must condemn the continued presence of the Vietnamese in Kampuchea.

My final point is that I hope this Community and also the governments, including the United States, will respond positively along the lines of the United Nations organizations and ensure that we give humanitarian aid to the mothers and children in Vietnam. I hope Parliament responds to that.

Mr Vergeer (PPE). — *(NL)* Mr President, I can quite understand that, when what amounted to a brief discussion on a point of order was sparked off by the rapporteur's statement, you did not want to give us the opportunity to debate the matter further. Before I begin my statement proper, I should like to make two points.

I believe that we are looking at things from the wrong angle if we are saying that debates cannot take place unless the Commissioner directly responsible is present. If that is to be the criterion, Mr President, I think quite a few items will have to be removed from the agenda. That would be a dangerous course to adopt.

Secondly, it would also be wrong to make voting on a Friday morning conditional on enough Members of Parliament being in the Chamber. You might then just as well decide in the Bureau not to have a sitting on Friday mornings because there are never many people here. I warn you that that would be the wrong way to go about things. An item might well be deferred if — and this was the point Mr Vankerkhoven was making — not all the documents were available or even if it was doubtful that they were all available. That is what I wanted to say before making my statement.

President. — What you say is very much to the point, and the Bureau would go along with it entirely.

Mr Vergeer (PPE). — *(NL)* I regard your thanks as an unaccustomed honour.

Mr President, I should not like to continue without expressing my appreciation to the rapporteur. Mr Cousté's report clearly explains once again how disas-

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trous the consequences have been for a country — Vietnam — that was in a state of war for a long time. We all know that the traces of, let us simply say, a 30-year war are still evident in Vietnam. The rapporteur has also said, and I should like to repeat his words, that Vietnam must be ranked among the world's poorest countries, its economy shattered and its living standards among the lowest in the world. Vietnam suffers from a chronic shortage of food, the main victims being the children, and that is in fact what this whole report is about.

Mr President, despite this gloomy picture — and I want to make it very clear that I am now speaking as a representative of the EPP Group — despite this gloomy picture, the Communist leaders of Vietnam are still giving priority to military efforts rather than the reconstruction of the country, the restoration of its economy and the alleviation of the hardship suffered by millions of Vietnamese. The military occupation of Kampuchea and Laos is sustained at great expense to satisfy the thirst for war of Vietnam's Communist leaders.

We need only think of the drama of the Vietnamese boat people to realize how great is the human suffering in Vietnam. The Communist government should be repeatedly reminded, by ourselves as well as others, of its responsibility, and it should be required to cease its costly military occupation of other countries and itself to contribute to an improvement in the situation of its own country, above all by alleviating the hardship that is being inflicted on so many people.

Mr President, various countries, both in and outside the European Community, either stopped or suspended their aid programmes in about 1978/79. In May 1979 the European Community also decided to suspend direct aid. I should like to emphasize very strongly that my group still feels this was the right decision to take.

Many international and non-governmental organizations and many countries grant a limited amount of humanitarian aid to Vietnam. And now the Community is being asked to assist the integrated children's programme set up by Unicef.

Mr President, my group undoubtedly has serious reservations on this question. But I am convinced that a very large majority of my group will support the motion for a resolution now before us. However — and I wish to make this very clear — the conditions set out in the motion for a resolution must be satisfied. There must be adequate guarantees that the aid reaches those for whom it is actually intended. Furthermore, I wish to emphasize — again on behalf of my political group — three political conditions: the troops must be withdrawn from Kampuchea, those who want to must be allowed to emigrate, and

all aid must be channelled through non-governmental organizations. Our decision to approve the motion is influenced by the fact that the programme to which the Community will be contributing is a Unicef programme and not, therefore, one run by the Community itself.

A crucial factor in this decision is that the aid we are discussing this evening will benefit children who are the victims of the catastrophic bellicose policy of the Communist leaders in Vietnam. But there must be regular evaluation, and we must also listen very carefully — and I think this is an important point, Mr President — to what the Asean countries have to say.

Mr President, I will conclude by saying that, after the lengthy discussions that have taken place on this report, both in the Political Affairs Committee and especially in the Committee on Development and Cooperation, my group has decided not to table any amendments. I will anticipate the vote — whether it takes place tomorrow or in a few weeks' time — by saying that the chairman of my group does not see the slightest need to support the amendments tabled by the Socialists and that we shall give our approval to the amendments tabled by Mr Jackson.

Mr Prag (ED). — Mr President, I am amazed at what I heard from the Socialist benches this evening. Mr Key talked about Vietnam being shattered by 30 years of war. The last 10 years have been years of war made by Vietnam against its neighbours, Laos and Kampuchea. It is not just a case of naked aggression; it is a case of plunder of the rice-fields of Laos and Kampuchea and colonization of the best farmlands by Vietnamese citizens. The Vietnamese have between 160 000 and 180 000 troops in Kampuchea and 40 000 in Laos. If they withdrew these troops, the savings would pay many times over for all the emergency aid they need. The rule of law is something that we should not lightly allow to be broken. We may feel moral revulsion at what the Ethiopians have been doing in Eritrea, but at least Eritrea is legally a part of Ethiopia. There is no excuse for what Vietnam has done in Laos and Kampuchea, whose peoples have different ethnic backgrounds and different languages from those of Vietnam.

We also have to look, as Mr Vergeer said, at the attitude of our Asean friends and their refugees. I was in three of the Asean countries as a member of the Asean delegation last week, and our Asean friends and partners left us in no doubt whatsoever about their feelings: they do not want us to undertake any action which would appear in any way to condone Vietnamese aggression and the continued Vietnamese illegal military occupation of Laos and Kampuchea or the plunder and colonization of those countries which are going on.

Prag

I have every sympathy with the Vietnamese people, suffering as they do under an incompetent and aggressive regime, and, indeed, with the great numbers — nobody knows quite how many (1.3 million have been recorded by the United Nations) — the land people the boat people and the unfortunate Khmers, 20 000 of them, who still remain in that no man's land between Thailand and Kampuchea.

So, with reluctance, I say if humanitarian aid is needed, then it should be given. But it must be humanitarian aid only; it must go through non-governmental organizations; it must be strictly controlled, and there must be no resumption of development aid until the withdrawal of the Vietnamese armies of occupation from Kampuchea and Laos. Let us show our sympathy not with the aggressor but with the victims of aggression; the people of Kampuchea, the people of Laos and the people of Thailand who have had to bear the brunt of hundreds of thousands of refugees on their territory. I don't think many of us realize what an immense burden that has been to the people of Thailand.

One day Cambodia and Laos will be free again. Then, I hope, we shall make a massive effort to help not those who have committed aggression but those who have been the victims of aggression.

(Applause)

Mr M. Martin (COM). — *(FR)* Mr President, if any country needs European Community aid because of its recent history, it is Vietnam. Even today it is still suffering from the consequences of 30 years of colonial war, particularly those years when the United States waged war on it. Vietnam is suffering from the consequences of defoliants, mindless bombardments and chemical warfare which have caused long-term damage to crops and which have meant that in certain areas it is still counting the cost in terms of cancer and birth defects.

Vietnam has made an enormous effort to emerge from its underdevelopment, to promote literacy, to feed its population and to cope with the natural disasters which have afflicted it. Therefore, as you are aware, several Member States resumed, on an individual basis, the aid which they sometimes suspended during the events in Cambodia.

The non-governmental organizations have, for their part, never ceased to aid the people of Vietnam.

Everyone agrees that Vietnam uses European aid effectively and that it actually reaches those for whom it is intended.

This has been proved by several missions to the country itself. Today some are using the Cambodian situation as a pretext for continuing to refuse aid, although we have on several occasions heard Commissioner Cheysson and his successor explaining to us that the Community should not use food aid as a polit-

ical weapon. Food aid is primarily humanitarian aid. I agree with Commissioner Pisani's view that one should first ask whether the aid is useful — from this point of view there is no need to prove that European aid is useful particularly in the case of women, children and the handicapped — and secondly whether this aid is being properly distributed. It is; therefore there are no grounds for objecting to immediate European aid to Vietnam.

I would ask those who object to the resumption of aid on the grounds of the political situation to note the recent statements of the Vietnamese, Laotian and Cambodian governments on the progressive withdrawal of Vietnamese troops from Cambodia which paves the way for a political settlement of the problems of the region.

The Cousté report — at least as presented in committee — gives a positive answer to several of the questions I have just raised. However, although the essential element, i.e. the establishment of humanitarian aid, has been retained — which is something positive — we deplore the fact that the final text on which we will be voting contains a condemnation of Vietnam which has nothing to do with a humanitarian undertaking.

Mr Beyer de Ryke (L). — *(FR)* Mr President, while listening to Mr Martin I must confess that I too found myself wondering. I found myself reflecting on the fact that the Vietnamese people, who were at one time subjected to colonization, have now themselves become in their own turn a colonizing power. They are not only occupying Cambodia but continue to plant Vietnamese settlers in that country. I am prepared to state flatly that there is a resistance movement in Cambodia and that we must support that movement. Mr Martin, we are in agreement on at least one point, namely, that the resistance that we must support is definitely not that of the Khmers Rouges, who have plunged that country into the atrocities of which we are all aware. However, we can and must support the resistance being mounted by Sihanouk and Son Sann, because it is the resistance of the Cambodian people themselves against foreign occupation.

(Applause)

As for you, my dear friend Mr Cousté, I would say that you defended your report with a moderation...

President. — Mr Beyer de Ryke, if you continue to address your remarks to whoever you please in the Chamber, everybody will want the floor for a personal statement. You must address your remarks to the Chair only. Even the Queen did so.

Mr Beyer de Ryke (L). — *(FR)* Very well then! I shall address my remarks to Your Majesty the President!

(Laughter and applause)

Beyer de Ryke

Mr President, I should like to reply through the Chair to the rapporteur, Mr Cousté. I would agree with his report, but conditionally and with reservations, and that is the response that all my Liberal colleagues will be giving to the Cousté report.

The idea of humanitarian aid for children whose lives are endangered by malnutrition commands our immediate agreement. There can be no doubt that there is nothing in the world more precious than the life of a child. Very well then, you will say to me, why the reservations and why the conditional assent? The reason is that Vietnam is at war, it is occupying Cambodia — I shall not dwell on that matter any longer, I have explained my views on that already — and it could yield to the temptation to divert any aid so that it reaches its soldiers rather than its children. After all, from the viewpoint of Hanoi, are not the Vietnamese soldiers in Cambodia children of the nation, and children in arms at that?

In order to forestall any such thing happening, we want guarantees and we want to have the possibility of exercising some control, through non-governmental organizations and other bodies recognized by the Community, over the way in which our aid reaches its destination. That is the condition that we make for our assent, and here I associate myself with the various colleagues who have spoken along these lines. If I may, Mr President, I should also like to stress that in giving aid to the children of Vietnam, we cannot allow ourselves to forget the other Vietnamese children, namely, the 'boat people', crowded into their leaky vessels and bereft of all hope. These, perhaps more than any others, have a right to our compassion and to our assistance. I would also point out that while it does not want to draw any distinctions in its desire to help those in distress, Europe notes that it does not find working alongside it other peoples who bear an equally heavy responsibility for the misfortunes of the world. I am awaiting from Moscow a plan to succour the suffering children of Afghanistan...

Children must be our first concern, but let us not make of them a mere slogan in a psychological warfare. That would be an insult to humanity!

(Applause)

IN THE CHAIR: MR PFLIMLIN

Vice-President

Mr D'Angelosante (COM). — *(IT)* Mr President, ladies and gentlemen, on behalf of the Italian Communists I maintain that the final proposal made in the motion for a resolution accompanying Mr Cousté's report deserves our support.

What we are talking about here is a tiny, indeed I would even say a miserable aid, given the enormous debt owed by the entire world to Vietnam on account of the inhuman sufferings inflicted on its people by a great power, against which you, Mr Habsburg, if my memory serves we well, have never asked for any measures of any kind to be taken.

Aids of this kind should not be subjected to any conditions. It is morally unfair to exploit the wretched conditions of the miserable inhabitants of one of the poorest countries in the world in order to obtain political successes.

We have been told that the occupation of Cambodia is something that cannot be tolerated. However, there is something else that the majority in this Parliament must get used to realizing. Neither can we accept the threat of a return to the savage butcheries carried out by the hordes of Pol Pot. This was the first instance of genocide since the Nuremberg Trials, and it cannot be simply ignored by the European Parliament. The unfortunate thing is that, with the support of certain Asean countries, a Pol Pot army has been maintained and rearmed and has gained such power that as soon as the Vietnamese troops withdraw, it would immediately return to power.

It is obviously nonsense to suggest that democratic elections should be held under the supervision of the United Nations, since nowhere in that part of the world, not even in the Asean countries, are elections of this kind held. Nor would there be any point in suggesting that United Nations troops should be stationed there, given the permanent nature of the situation with which they would have to contend.

That is why priority must be given to a return to normality and to the elimination of the danger constituted by the Khmers Rouges. This is something that the countries in that part of the world must understand, and it is something that the governments of Singapore and Thailand, to which Mr Habsburg referred just now, must also understand. They must realize that, if the entire world is to be brought to agree to Cambodia's just and fair demand for a return of its independence, it is essential that they should cease to maintain the Khmer Rouge army. If the latter were to return to power, it would be worse for Prince Sihanouk than a permanent occupation by Vietnam.

Mr Brok (PPE). — *(DE)* I have only one question to put to Mr D'Angelosante. Does he really think that the principles of one of the poorest countries of the world can be reconciled with the fact that this very country is maintaining three million soldiers under arms?

President. — Mr Brok, we do not want to start up an exchange on this matter.

Mr Dalsager, Member of the Commission. — (DA) Mr President, I do of course regret that my colleague who is directly responsible for the sector in question, Mr Pisani, cannot be present this evening. He has a valid excuse: he is somewhere on the European road network en route from one meeting to another in the defence of Europe's interests. But I can understand the disappointment, since I know the keen interest that the European Parliament has in this matter and since I can see that, in addition, a number of speakers have stayed in order to hear the Commission's answer. The Commission would like to thank the rapporteur, Mr Cousté, for the document he has drafted. It is a unique source of information, not only on the nutritional situation of children in Vietnam, but also on the activity pursued by the various Member States of the Community and the international relief organizations operating in Vietnam. I would add that the Commission shares Parliament's disquiet over the political situation in this region and the problems to which Vietnam's occupation of Kampuchea have given rise. A political solution can only be found to this problem if the UN Resolution is complied with: the Resolution calls for the withdrawal of Vietnamese troops from Kampuchea.

The concern felt by the Commission from the political point of view has had inevitable consequences for relations between the Community and Vietnam, to the point that all cooperation with that country has been suspended since 1979, even as far as food aid is concerned. The Commission reaffirms its view that there should be no change in this position until there is a positive development in the the political situation in the region. But the possibility has never been excluded of purely humanitarian aid being granted to Vietnam via international organizations or non-governmental bodies. That has in fact already been done on two occasions. The motion for a resolution being discussed here, however, calls for a programme which, by its nature and scope, goes beyond what we have been able to do up to now, and such action can only be taken if there is a change in the Community's policy to date. The Commission will of course take note of the conclusions Parliament reaches during the vote, which I hope will be held tomorrow.

President. — The debate is closed.

The vote will be taken at the next voting time.

17. Cereals

President. — The next item is the report (Doc. 1-1393/83) by Mr Poniatowski, on behalf of the Committee on Development and Cooperation, on the proposal from the Commission to the Council (Doc. 1-1233/83 — COM(83) 669 final) for a regulation on the apportionment of the quantities of cereals provided for under the food aid convention for the period 1 July 1983 to 30 June 1986.

Mrs Rabbethge (PPE), deputy rapporteur. — (DE) Mr President, I have the dubious honour of deputizing for the much-respected chairman of the Committee on Development and Cooperation. That is not easy, for you know as well as I do the qualities of this committee chairman. The subject of the report is the Food Aid Convention for 1983-86, and it was unanimously adopted in our committee.

I should like to mention briefly the four most important points, so that you know what is at issue. One of these is decisive, and I would urge the Parliament, as usual in such cases, to show solidarity. This is a small but friendly declaration of war on the Commission.

The committee agrees to the Commission's proposal, since the quantities envisaged correspond to the committee's estimate; but these quantities indicated by the Commission can only, in our view, represent a minimum: if the need arises, these quantities must, therefore, be increased. Further — and this I have already hinted at — the committee has made its assent to the Commission's proposal dependent upon one point. I should be extremely grateful if the gentlemen of the Commission would now give my remarks the attention they deserve, even if, unfortunately, the Commissioner responsible cannot be here today. Mr Dalsager, I should be obliged if you would now listen to what I have to say, since otherwise I might find myself obliged to recommend the Parliament to reject the Commission proposal.

It contains one point that shows, quite clearly, the cloven hoof, and of this the Commission is perfectly aware. It refers, that is, in the preamble to the famous Council Regulation No 3331/82, which would limit the powers of this Parliament very seriously. We have already discussed this problem here together, and the Committee on Development and Cooperation has unanimously decided that we can only give this Commission proposal our approval if the Commission withdraws its reference to this Council regulation. We have tabled a counter-proposal, and I would ask the Members of this House to give the motion for a resolution of our committee their support.

It is only because we in the Committee on Development and Cooperation have always been concerned to prevent any delays in implementing the food-aid policy — though this must not be interpreted as granting approval of this part of the proposal — that we are nevertheless prepared to agree to the Commission's proposal. This is done with the proviso, also unanimously adopted by the Committee on Development and Cooperation, that a new basic regulation concerning food aid be submitted as soon as possible.

From now on, I am speaking on behalf of the Christian-Democratic Group and have only a few remarks to add to what I have said. My group supports Mr Poniatowski's proposal.

Rabbethge

atowski's report in all respects, particularly the insistence that the proposed quantities of food aid must represent a minimum and, when the need arises, must be exceeded.

We also support the energetic protest registered by the Committee on Development and Cooperation, and this finds expression in the amendment deleting the Commission's reference to Council Regulation No 3331/82. For this Parliament, that reference would mean a definite limiting of its powers and so would be completely intolerable. It seems to us in this connection that this Parliament — and here I am surely not speaking only in the name of my group — must make it perfectly clear to the Commission that our constant readiness to cooperate and compromise must not be taken as a sign of weakness. My group therefore says yes to the report and particularly emphasizes the demand that a proposal for a new basic regulation concerning food aid be submitted as rapidly as possible.

In this connection, I should like to quote a passage written by the great German theologian Helmut Thielicke :

The Lord's Prayer teaches us, not to pray for a complete bread-ration that would suffice to feed us to the end of our lives, but for the piece of bread that we need today. For Christianity, it is the next part of the road that is sacred, not the ultimate destination. That is the difference between it and a belief in utopias.

Because it concerns bread for millions of people in the Third World, and so concerns the next part of the road, my group will vote for the Poniatowski report, but only on the same condition as I indicated on behalf of the Committee on Development and Cooperation — that is to say, that the Commission's reference to Regulation No 3331/82 be eliminated.

(Applause)

Mr Dalsager, Member of the Commission. — *(DA)* Mr President, ladies and gentlemen, I should like on behalf of the Commission to voice our satisfaction with the procedure proposed by the Committee on Development and Cooperation, which ensures that the implementation of the Community's food aid programme will not be delayed, since we reserve the right to return to the question of the legal basis of the outline regulation at a later stage. The Commission's proposals are aimed at distributing the quantities of food aid in the form of grain, which the Community has undertaken to supply under the International Convention on Food Aid among Community projects and bilateral projects conducted by the Member States. Any delay in the adoption on this regulation will be to the detriment of the distressed population groups in the Third World which we are discussing here.

With regard to Parliament's request for a change in the basic regulation on food aid, the Commission

thinks that it would not be expedient at the present time to alter an arrangement which is the result of several years' discussions between the institutions and which, under many of its provisions, takes account of the wishes of Parliament. This applies, for example, to the question of a qualified majority in voting. The experience of the first year in which this outline regulation has been in force shows that considerable progress has been made in the administration of food aid, amongst other things because the Commission henceforth has authority to share out food aid initiatives among the various countries and organizations, without having to refer to the Council. Any attempt to alter the sharing of competence between the Council and the Commission, with the consequences this will have for the measure of agreement which has been achieved between the three institutions, will inevitably act as a brake on the contribution which the Community is morally bound to make to the fight against hunger in the world.

President. — The debate is closed.

The vote will be taken at the next voting time.

18. Sewage sludge in agriculture

President. — The next item is the report (Doc. 1-1137/83) by Mr Bombard, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

proposal from the Commission to the Council (Doc. 1-673/83) — COM(82) 527 final) for a directive on the use of sewage sludge in agriculture.

Mr Bombard (S), rapporteur. — *(FR)* Mr President, ladies and gentlemen, the Commission's proposal for a directive faces us with two duties and two needs, namely, to look after the disposal of a waste and to protect public health.

If we do not see to it that these wastes are disposed — and the sludge from sewage treatment plants is certainly a waste — we are running grave risks. This sludge accumulates and is carried away by the rain. It penetrates into subterranean waters and pollutes them, it trickles into the rivers and the lakes and ends up by polluting the lakes and the sea.

It makes sense therefore to consider the possibility of using sewage sludge in agriculture, because of the organic products it contains and particularly because of its rich nitrogen content. From the economic point of view, the fact that it is available so near at hand makes the use of sewage sludge a particularly attractive prospect for the farmer. However, this does not make it any the less a waste, and as such it can be harmful. It contains not only nitrogenous organic products but also heavy metals, pesticides and sometimes even viruses which can resist certain treatment processes.

Bombard

This sludge must therefore always be stabilized before we can even envisage using it. We must do everything in our power to see that the harmful products it contains do not enter the food chain, thus ending up in human food and in the body proteins.

The utilization of sewage sludge in agriculture must therefore be confined to certain clearly defined uses, such as forestry, soil renewal in the case of burnt-out forests, the plantation of new forests and the formation of young vine shoots, i.e., before they bear any grapes. Even fruit trees can be perfectly well fertilized by means of sewage sludge, since the tree trunks act as an efficient filter protecting the fruit.

The use of sewage sludge may also be envisaged and even encouraged in horticulture, on condition, however, that we know what happens to the soil after the cultivation of the flowers, since the soil would have been rendered unsuitable for food crops. It would be deplorable if one were to go from raising flowers in one field to raising lettuce or spinach in that same field, since this would mean a direct injection of those dangerous products that would have been accumulated, and I am thinking in particular here of heavy metals. Care must be taken not to spread the sewage sludge on grassland, because the dangerous substances it contains could pass rapidly into the milk of the animals that feed on the grass or into the meat of those animals, subsequent consumption of which could then endanger human health.

We would ask the Commission therefore to accept tomorrow our amendments which are aimed at making the maximum use of the sludge from sewage treatment plants, while at the same time making the protection of human health the absolute and binding imperative. Let us not forget the old medical rule which we should always have before our eyes: *primum non nocere*, first of all do no harm!

(Applause)

Mr Mertens (PPE), *draftsman of the opinion of the Committee on Agriculture*. — (DE) Mr President, ladies and gentlemen, sewage sludge is definitely stuff of a very special kind! Not for nothing has the Commission produced here a proposal for a directive, for with this stuff we have had some bad experiences in various countries over the last few years. No one knew exactly what this sludge contained: we acted very ill-advisedly, we spread it on the fields and then found unexpectedly, not only that the ground was being poisoned but that, through the food chain, or nutrition cycle, human health was being endangered. We therefore welcome this proposal from the Commission.

When we see that only about 29% of the sewage sludge we are talking about here is used in agriculture, while 49% disappears in dumps of one kind or another and about 19% is channelled into the sea, we

must, I think, seriously ask ourselves what the best course is to take. The rapporteur well knows what is at issue here: he has experience of the matter, for, as you know, he has engaged in marine research, and he cannot want to see sludge disposed of in this way.

It is therefore better — and this is the aim of this directive — to make the sludge harmless, that is to say, to stabilize it. It has to be examined to see whether it contains any toxic substances that might cause damage. In other fields, we speak of recycling: here, too, we should try to use as much as possible of the sludge. We find that it contains considerable quantities of nitrogen, which can be used as nutriment for plants. It also contains numerous solids that can be put to good use when applied to various types of soil. We must, of course, take care that the Ph content does not fall off too rapidly. Under certain circumstances, additional fertilizer may be required.

If, while dealing with this subject on behalf of the Committee on Agriculture, I may also present the position of my group, I should like to stress most emphatically the point made by the rapporteur when he said that there the interests of agriculture may be brought into line with those of the consumer. That is one particularly gratifying thing about this subject: we want healthy soil, we want healthy food and we want healthy people, and all that we want to achieve by means of this directive.

I thank the rapporteur for the carefully balanced document which he has presented on behalf of his committee, and the committee was able to give him generous support. There were a few colleagues who, in their concern for human health, felt that the provisions should be made stricter; but we do not want to throw out the baby with the bathwater. If we want to use sewage sludge, we must make it feasible. There is no point in setting up so many controls, so many analyses and so much bureaucracy that this useful aim can no longer be attained. We therefore took the view that where we are dealing with only domestic waste we do not need to worry too much.

This report has our approval. The Group of the European People's Party will vote for it, as a useful step towards a united Europe. We feel it can be taken for granted that it will help to dismantle distortions of competition and enable us to achieve a common settlement in all the fields concerned. You may be assured that it will be a good regulation, and we shall vote for it.

(Applause)

Mrs Van Hemeldonck (S). — (NL) Mr President, the Socialist Group has not closed its eyes to the fact that we are living in a highly industrialized society, which has its advantages — a high standard of living, a high level of industrial development — and also its disadvantages — the danger of water and soil being

Van Hemeldonck

polluted owing to industrial activities and also the domestic consumption of potentially dangerous or toxic substances, particularly as a result of the enormous increase in the scale of the process.

We can no longer rely totally on the natural dispersal of waste water, of sewage sludge and of waste *per se*. Mother Nature is no longer equal to this task. We must therefore act systematically and judiciously and install continuous monitoring facilities, as Mr Mertens has already said, to protect the health of human beings and of the flora and fauna.

To this I should simply like to add that we are well aware that we have to live with the problems of a society that produces waste and that we must try to solve these problems, even to our advantage. And in this respect we are not in principle opposed to the optimal and beneficial use of sludge, waste and so on in sectors where this is possible, including agriculture. But we are also aware that our purification facilities are far from perfect at the moment and that consequently normal sewage sludge still contains heavy metals, chlorine compounds and various pathogenic micro-organisms and parasites.

We approve the Bombard report provided that our warning is heeded: sludge must be stabilized and purified before it is dumped. In Flanders we have had the regrettable experience of various unpleasant things occurring after the completion of extensive work on ports and industrial sites in which sewage sludge was used for land-fill operations. This has resulted in serious pollution of ground water and an end to sheep-farming on all polders north of the Antwerp polder. This is one example of what happens when action is taken rashly and thoughtlessly.

In other words, Mr President, we of the Socialist Group in principle endorse the basic idea underlying the Bombard report, but we oppose the amendments, which, for example, seek to make an exception of domestic sludge, because it too contains dangerous chemical compounds and also because chemical products are very often affected by the small agglomerates, such as waste from camping sites, chemical compounds from the processing of waste and so on. In other words, we shall examine the amendments carefully. As a general rule, we want to see only stabilized sludge dumped, and then only at sites where it cannot come into direct contact with the food chain of human beings and animals.

(Applause)

Mr Eisma (NI). — *(NL)* Mr President, the use of sewage sludge as a fertilizer in agriculture is a good example of the beneficial use of waste substances, but there must be Community rules to ensure that it causes no damage. Consequently, we too welcome the Commission's proposal.

We regret, however, that the Committee on the Environment, Public Health and Consumer Protection has

not approved a number of recommendations made by the Committee on Agriculture. I believe that two important issues are concerned here. The Commission feels that the directive should not govern the sludge produced by small facilities which only treat urban waste water. The Committee on Agriculture has said that this is dangerous, especially as the Commission itself says in its explanatory memorandum that the chance of pollution is small, which does not mean that the possibility is excluded.

In his explanatory statement the rapporteur says that a small sewage plant is not necessarily safer than a large one and that the Committee on the Environment, Public Health and Consumer Protection rejects Article 2 of the proposed directive. Strangely, this is not clear from the amendment tabled by the Committee on the Environment to this article, since it merely proposes a change to the wording of the text. We have therefore tabled two amendments seeking the deletion of Article 2 and recital (h) of the directive, which concerns the same subject.

Mr President, according to Article 8 (2) crops may not be harvested for six weeks after sludge has been applied to the land. The Committee on Agriculture believes this should be two months, and the Committee on the Environment, Public Health and Consumer Protection calls for three months in its amendment. I agree with the Committee on Agriculture and therefore propose two months in my amendment.

Finally, we would also like to have seen the limit values fixed for the trace elements arsenic, cobalt, manganese and selenium. According to the Commission, this is not yet possible, but it may well be so in three years' time as a result of studies now in progress. In paragraph 8 of Mr Bombard's resolution, which, I should add, we approve, the Commission is requested to obtain the scientific data as quickly as possible so that these limit values can be fixed. In Amendment No 24 I have proposed that the words 'within three years' should be added to this paragraph. That is surely possible, since it follows on logically from the argument advanced by Mr Bombard himself in subparagraph (d). Needless to say, I ask the House to adopt my amendments, and I hope that the rapporteur will also give them his approval.

Mr Dalsager, Member of the Commission. — *(DA)* Mr President, I should like first to thank the rapporteur for the interesting report and the work which has been done on this difficult and complex subject. I should also like to thank those who have taken part in the preparation of the motion for a resolution, particularly the members of the Committee on Agriculture and its draftsman for an opinion, Mr Mertens. In very general terms, I am very happy that the Commission's proposal has been given a positive reception by the committee of Parliament concerned and by the Economic and Social Committee.

Dalsager

The question of the use of sewage sludge in agriculture is indeed of the utmost importance, as has been pointed out here by the various speakers. Economic aspects are also involved because of the high capital expenditure required for the establishment of treatment plants. The amount of treated sewage sludge arising annually in the Community is approximately 230 million tonnes, or about 13% of the combined total of waste, i.e. 800 kg per year per inhabitant. As far as we can see, this quantity will be trebled by 1990. For the time being, only 29% of the sludge is used in agriculture; the remainder is dumped under controlled conditions, incinerated or discharged into the sea. The aim of the directive is to secure more effective utilization of this valuable material. For sewage sludge contains fertile constituents such as nitrogen and phosphate, which either we have to import because the Community does not have any deposits of natural phosphate or we have to manufacture with a heavy input of energy. The nutrients which the sewage contains can increase the yield of the soil. At the same time, the use of sewage sludge contributes to an improvement in the structure of the soil, since it has a high content of calcium and organic substances. But sewage sludge can also contain excessive quantities of harmful substances. Untreated sludge, for example, contains pathogens. Consequently, it is generally necessary to stabilize the sludge before it is used in agriculture. Caution is therefore needed. I thank the rapporteur for setting out these various points clearly.

In order to promote the spreading of sewage sludge on land used for agricultural purposes under favourable conditions, the Commission proposes certain limitations on its use, in forests for example, and has set forth maximum permissible levels for trace elements in sludge intended for spreading on such land. The Commission is aware that the use of sewage sludge in agriculture can only make progress if the farmers feel they can use it with confidence and if the interests of the consumers and the environment are taken into account and are not adversely affected.

For that reason the Commission has taken on board the conclusions of the proposed resolution and most of the amendments proposed by Parliament's rapporteur. The work already begun will be continued. This applies in particular to the COST 68 research programme with regard to the standardized procedure for the sampling and analysis of sludge and soil specimens and the disposal of sludge which is unsuitable for agricultural use. The Commission can also accept the amendments proposed by Mr Bombard, with a few exceptions. With regard to the minimum time lapse between spreading and the cultivation of the soil, the Commission, takes the view that the minimum period of 6 weeks — and not 3 months, as has been demanded — should be retained. Amendment No 7 is the one in question here. We would point out that

the Member States remain free to impose more restrictive conditions. This in itself is an element in that flexibility, the importance of which has been rightly stressed by the rapporteur. This aspect is covered in paragraph 5 of the motion for a resolution.

The Commission can accept the following amendments: No 1 concerning the use of sewage sludge in woodland, No 3 calling for a clearer definition of the scope of the directive with regard to treatment plants serving populations of less than 5 000, No 5 on the data to be supplied by producers of non-stabilized sludge — but as an additional indent, not to replace an indent, No 6 on the spreading of sludge in woodlands, No 8 on the deletion of the pH value, No 9 on the keeping of a record, No 10 on communication to the Commission where Member States adopt more stringent measures than those required by the directive and, finally, No 11 on the time limit for the preparation of the consolidated report. This period is to begin when the directive comes into force, however, not after its publication. The Member States are to be allowed a period of at least two years after the directive is put into effect to enable them to prepare a report. This amendment thus has much the same effect as the Commission's text.

The amendments which the Commission can accept will enable us to improve our proposals, thus meeting the wishes of the rapporteur and the committee of Parliament concerned. The new amendments, which are not contained in the Bombard report, cover the same problems as the amendment proposals in the report, and I shall not therefore deal with them in any more detail here. I restrict myself to those which are in the report and which in a number of cases the Commission is prepared to accept.

I should like once more to thank you for the work which has been done here.

President. — The debate is closed.

The vote will be taken at the next voting time.

19. Vocational training

President. — The next item is the report (Doc. 1-1357/83) by Mr Prag, on behalf of the Committee on Social Affairs and Employment, on the

proposal from the Commission to the Council (Doc. 1-815/83 — COM(83) 482 final) for a decision on the comparability of vocational training qualifications between the Member States of the European Community.

Mr Prag (ED), rapporteur. — Monsieur le Président Victor Hugo a dit, et vous m'excuserez de résumer un peu: *Ce siècle avait deux ans quand je suis né.*

Prag

Well, when the Commission's programme for comparability of vocational training qualifications was born, the century was only 63 years old and now it is 84. Not a great deal has been done in those 21 years. The comparability of vocational training qualifications is essential to the free movement of labour. There is no way that many of our young people can work in other Member States unless they can attest to the comparability of the qualifications they possess.

It is very clear that in tackling this work the Commission has been faced with an immense task. Its job was to implement the eighth principle of the common vocational training policy decided on by the Council of Ministers in April 1963. That meant working out comparable diplomas, certificates and qualifications for a very large number of trades, and the Commission worked out five levels — semi-skilled, skilled, technical, higher technical and full university levels. I do not think that anyone quite knows how many trades would be involved, but perhaps it might be, say, the number of apprenticeship courses which they have in the Federal Republic of Germany: that is around 450. That involves an enormous task. Five levels, 450 trades and 10 different countries.

We were, in the Committee on Social Affairs and Employment, perfectly aware of the incredible size of this task. But the fact remains that, so far, only three out of these trades have been covered and at one of the five levels. The Commission representative, with engaging frankness, told us that if they had continued at their initial pace it would have taken to the year 3000 to complete the job. I am not at all sure that even with the Commission's new proposals it would not have taken until well into the 21st century.

So what we have done is to try to put a firework behind the Commission and get it to move — I would not like to say faster — but with a little speed. We are very well aware in the Committee on Social Affairs and Employment that the Commission has virtually no staff for this task — one A grade official and two half-time B grade officials. It is also perfectly clear that the present arrangements for cooperation and coordination with Cedefop, with the Advisory Committee for Vocational Training and groups of national experts and so on, are also very inadequate. If they had been adequate, the Commission would have got somewhere instead of having got virtually nowhere.

The fact remains that in the meantime young people and others wishing to work in Member States other than their own are being turned away. I know that the Committee on the Rules of Procedure and Petitions frequently receives petitions from young people who are unable to take a job in another Community country because their qualifications are not recognized.

Clearly, something has got to be done. What we have done in the Committee on Social Affairs and Employment is to put a few deadlines into this apparently interminable work: two years to complete the work on level II, i.e. skilled workers, and five years to complete the whole task. There are, after all, many modern devices which the Commission has also heard of to enable work of this kind to be speeded up.

We also recommend the creation of a data base readily accessible to employers and we thought that the Commission could suggest something a little more imaginative than certificates for vocational training requirements. We recommend that there should be European Community vocational training passes which will list the qualifications of the persons concerned and the courses that they have attended.

We had a long debate in committee on whether we should say Miss, Mrs or Ms, but that is perhaps one of the slight idiosyncrasies of the Committee on Social Affairs and Employment.

I hope that the Commission will be able to accept these amendments, Mr President, and I would very much like to hear from Commissioner Dalsager what his reaction is to them. As I say, I very much hope the Commission will be able to accept them, because this is a task of very great importance. It is an essential part of the common market and we would like to see it completed.

Mr Ouzounidis (S). — *(GR)* Mr President, in a Community which aims to advance steadily towards sophisticated forms of cooperation and abolish an increasing number of restrictions, there cannot be such limits on the free movement of labour. Without comparability of vocational training qualifications, free movement remains a dead letter, and those chiefly affected are underprivileged workers, especially migrants and young people.

In our view it is natural that cooperation among the peoples of Europe should start with this kind of harmonization, which is not only necessary as such but also constitutes a prerequisite for the pursuit of more advanced, more complex forms of cooperation. It is easy to understand the disenchantment of those who have succeeded, by dint of efforts and privations, in obtaining a vocational training certificate on which they have founded all their hopes of a decent job and satisfactory prospects of promotion.

This problem mainly affects people from southern European countries, since they are the ones most often compelled to migrate to central or northern Europe in search of work. And of course the lack of a system for the comparability of vocational training qualifications enables these wealthy countries to secure a cheap labour force for jobs which cannot be filled by their own nationals.

Ouzounidis

A further consequence, in addition to the difficulties involved and the restrictions on free movement, is that those who have already migrated within the Community, having been obliged to accept whatever work was available, are the first to be dismissed in times of crisis and, together with their families, experience all the social and financial problems attendant on unemployment.

Besides, proper comparability of vocational training qualifications will improve young people's chances of finding work within the Community in the occupations for which they were trained.

The Greek Socialists therefore regard the initiative leading to Mr Prag's report as highly positive and support it in the belief that it helps to improve the position of working people, especially migrants and young people. While naturally recognizing the considerable objective difficulties surrounding the attempt to establish comparability of vocational training qualifications, we are nevertheless convinced that the Commission will have to do its utmost to speed up the procedure for achieving it. We are already very pressed for time and have no right to neglect such a serious issue, which concerns all European workers.

Mr Brok (PPE). — *(DE)* Mr President, ladies and gentlemen, Mr Prag, whom I thank for his report, began by quoting Victor Hugo as a reminder of the way time passes. It is much to be regretted that the decision of 2 April 1963 on a common vocational training policy has still had so few practical consequences and that we have to face such a lack of understanding among the population, particularly the younger generation, for the fact that no further progress has been made in this field.

Nevertheless, we have to thank the Commission for making a fresh attempt and in a very important field at that — namely, the second level (skilled worker). I, too, appreciate that the complexity of this subject, the pressure of vocational interest-groups in our Member States and the attitudes characterizing national ministerial bureaucracies do nothing to make this business any easier, but we must make progress with the mutual recognition of vocational training qualifications. The approach now proposed to us is also important because it is, I think, easier to realize than tackling the harmonization of training at the first go.

What we need are rapid measures and a definite timetable such as that proposed in this report and indicated in the committee's amendments — namely, completing level two in two years and all five levels in five years. One reason for this is that freedom of movement within the European Community is no more than an empty phrase, a right confined to the paper it is written on, if not linked with the mutual recognition of vocational training qualifications. One must not forget, of course, that the roles of both sides of industry must be taken into account in this field.

It must also not be forgotten that the wealth of Europe lies, not in its raw materials — for we have none — but in the competence of our skilled workers capable of producing sophisticated products. Here we have to make further progress, especially with regard to Europe's capacity to compete. This is where the vocational training pass has a role to play, for it enables the skilled worker to receive part of his training in another member country and to have this recognized. From a practical point of view, this is, I think, the right road to take. At this stage, we should not attempt to work for recognition or comparability as regards the subject-matter covered by training courses and examinations, for this would be too complicated. Instead, we should aim at establishing the comparability of the practical demands made by undertakings and so, by establishing common sets of demands, reaching the point where particular trades or professions in the various countries can be recognized as being equivalent.

Unfortunately, such models have so far been elaborated only in the electrical, automobile, hotel and gastronomic trades, and at present the same is being done for the building trades — this in the face of four or five hundred occupations that have to be dealt with in the Community! In my view, the European Centre for the Development of Vocational Training (Cedefop), the Advisory Committee for Vocational Training and national experts must be brought together in a single, more closely-knit entity. This road is, I think, the right one because it is easier to follow than the recognition of professional qualifications and leads to mobility and flexibility. This would provide a really good foundation for attaining our ultimate aim of a common vocational training policy in the European Community.

Mr Patterson (ED). — Mr President, I imagine that most Members of this Parliament are not aware that this evening we are debating a matter which arises from one of the most fundamental aspects of the EEC Treaty, namely, the free movement of workers. I say that they are probably not aware of it because otherwise I suspect more of them would be here.

The Commission objective, as they state in their text, is to enable workers to use qualifications obtained in one Member State for the purpose of access to employment in another Member State. And I emphasize the word 'employment' because we have many debates in this House about how we are going to solve the problem of unemployment in Europe, and this is what we are fundamentally concerned with this evening.

There is no doubt that this draft decision is needed. But, as Mr Prag pointed out, the amazing thing is that we are debating it now rather than 20 years ago! Mr Prag said that the Council, a body not noted for its rapid action, adopted the basic decision in April 1963, and yet the text before us is full of expressions such as

Patterson

'a first step', or 'preparatory work', or 'the commencement of cooperation'. One reads in the Commission text that 11 years after the Council decision a study was completed and that 'work had proceeded very slowly over a long period.' The expression in English is: they can say that again!

Now one consequence of this, which the Commission itself points out, is precisely related to employment. It says that slow progress in achieving practical results may have restricted the scope of the European system for the international clearing of vacancies and applications for employment — the Cedoc system. The speaker for the Socialist Group pointed out how important this is to young people. We debate over and over again the problem of unemployment among the young, and yet the adoption of this decision many years ago would have ensured that this problem never arose.

Now if there is one message in the Pag report, it is the need for urgency — and my group agrees. The Commission has taken a first step. Very good! But let us not wait another 20 years for the second step, or the third step, or the fourth step, or the fifth or sixth steps. Indeed, let the Commission finish the job within the timetable laid down in Mr Prag's report, for which my group will vote.

Mr Dalsager, Member of the Commission. — (DA) Mr President, ladies and gentlemen, the Commission is very happy with the opinion which the European Parliament is about to adopt on this problem.

The mutual recognition of diplomas, certificates and other qualifications is not only a problem of importance at a legal and practical level but is also a principle which, when properly applied, can contribute to a strengthening of awareness among the population, and young people in particular, that the Community is a reality and that it seriously desires to work for the benefit of all workers. The recognition throughout the Community of an individual's employment qualifications also means recognition that the individual concerned possesses a number of values which are special to him or her. This does not interfere in the freedom of employees and employers to negotiate but may help them to understand what the employment qualifications held by citizens of other Member States stand for. Better comparability of employment qualifications will, moreover, make it easier for employees to take part in retraining or further training in the host country. At the present stage, the Commission's proposals are not generally aimed at formal and final mutual recognition of employment qualifications, but merely — I think I can say — an important step towards such an objective.

I should like also to remind you that the Commission's strategy in this entire area is applied in various forms and with resources which are adjusted to each

individual situation at four levels, which form part of the whole complex, namely, the free movement of workers, access to and the freedom to exercise a professional activity, a common vocational training policy and cooperation in the field of education. The results which have been attained in each of these areas have demonstrated the correctness of the solutions we have adopted and have given the lie to all fears of possible adverse consequences for employment in the individual Member States. The Commission is moreover in agreement with Parliament on the need for more momentum in the work in this field, with due regard of course to the means at our disposal and the resources we have.

Finally, I would point out that the proposal for a Council directive which the Commission has put forward is not an old proposal brought out of mothballs. On the contrary, it is an entirely new proposal intended as a contribution, with the help of mutual recognition of diplomas, certificates and other qualifications, to progress towards the final objective as set out in the eighth principle for the implementation of the common vocational training policy, cf. Council Decision of 2 April 1983, adopted pursuant to Article 128 of the Treaty establishing the European Economic Community.

With regard to the amendments proposed, Mr President, I should like to say that, as far as I can see, they are all aimed at speeding up the process and that they can therefore only be in the Commission's interest. But I must say that the Commission and Parliament occasionally work faster than the Council is able to, and it is possible to imagine that this could be the case in this sector too.

President. — The debate is closed.

The vote will be taken at the next voting time.

20. Fisheries

President. — The next item is the report (Doc. 1-1394/83) by Mr Battersby, on behalf of the Committee on Agriculture, on Greenlandic fisheries.

Mr Battersby (ED), rapporteur. — Mr President, may I speak the first word in Greenlandic in this Parliament which is *qujanaq*, which is thank you. I welcome and support the initiative of the European People's Party in asking for a change to the agenda so that this subject can be dealt with during this part-session. As you know, discussions on the future status of Greenland and fishery negotiations in Greenlandic waters are at a very advanced stage. It is right that Parliament's opinion on this subject should be made known now whilst the discussions are going on and before we are asked, after everything has been agreed, for our opinion.

Battersby

The motion for a resolution before us today was discussed at great length in the working group on fisheries and also by the Committee on Agriculture, which adopted the report by an overwhelming majority. The report sets out to be practical and fair. On the one hand, we must recognize that fishing is a vital part of Greenland's economy, employing some 25% of the labour force and producing 40% of the GNP. This factor will continue to be of importance in the foreseeable future. The motion for a resolution is therefore concerned with how to maintain and improve the effectiveness of aid to Greenland, which has already been considerable, a fact which I am sure the 1 500 Greenlandic electors, who are decisive in determining whether Greenland should stay with us or not, will appreciate.

We must also ensure that, in the event of Greenland acquiring OCT status in the future, its exports of fish and fish products to the Community should continue without quantitative restrictions or customs duties or charges having equivalent effect, providing Greenland plays the game and providing we obtain a satisfactory deal for the Community fishing industry.

We also stress in this report the importance of protecting the Greenlandic fishing-catch levels by improving surveillance, stock conservation, scientific marine research and the establishment of TACs on the basis of scientific evidence and consultation between Greenland and the Community. On the other hand, the report sets out the Community position. Greenland, had it not been for the Community, would today have no fish at all. The Community negotiated the large East-European bloc fleets out of Greenlandic waters. It eliminated the vacuum cleaning of Greenlandic stocks, set up the surveillance system in Greenlandic waters and set up the management structure for the fishery. The Community built up the Greenlandic fleet to its present level, and all in good faith, believing that Greenland would remain forever a part of our Community.

We need to be assured that the distant water sector of the Community fishing fleet is allowed non-discriminatory access under satisfactory economic conditions, because of the benefit to trade for the Community fleet and the processing industry of the Community. Further, we must be assured that Greenlandic fish and fish products do not arrive in the Community at price levels which lead to market distortion and thus endanger the livelihood of Community fishermen. We believe that where agreed quotas are not taken up by either party, they should be offered in good time to the other. We felt also, both in the Working Party on Fisheries and in the Committee on Agriculture, that the essence of the agreement to be reached with Greenland concerning the joint management of fisheries takes into account both the requirements of the Greenlandic fishing industry and traditional fishing

interests in Greenlandic waters, including those of the Community and those of third countries with whom the Community currently has agreements giving access to Community waters.

To this end we feel that a fishery agreement should be concluded which should be of a permanent and binding character and which should be parallel with the entry into force of Greenland's new status. We discussed the duration of this agreement. I proposed initially that the agreement should have an initial minimum term of 10 years and be automatically renewable. Some of my colleagues, however, felt that a five-year term would be more appropriate. The majority view was, nevertheless, that the Community and Greenland should strive for agreement on the longer term 10-year minimum basis with a firm commitment to renewal.

I hope that this is the view of the Commission and the Council as well and I hope that it is acceptable to Greenland. I believe it is in all our interests to spell out in a formal and long-lasting agreement based on a *quid pro quo* principle what is at stake, what we are prepared to pay, what we receive and what Greenland receives. It is also important that we state clearly what the Community has contributed so far to the development of the Greenlandic fisheries and to the Greenlandic economy in general. It is essential that Greenland and the Community continue to be friends and partners, and we must start and run our new partnership on the basis of honesty, clarity, realism, understanding and friendship.

Finally, I would like to point out that we have proposed the creation of a joint committee. Such a committee would provide an ongoing forum for discussion and resolution of problems, strengthen cooperation between the two parties and form a platform for the rational development of the fishery.

If I could now refer to the amendments by our dear Greenlandic friend, Finn Lyngé, I can accept Amendment No 2 as an addition, but not as a replacement. I can accept Amendment No 3: it is a more diplomatic turn of phrase and says what I really mean. I cannot accept Amendments Nos 1, 4, 5 and 6. I hope that my report will be accepted by this House with the amendments I recommend.

Mr Lyngé (S). — (DA) Mr President, I should first like to express my satisfaction with the spirit in which this report has been produced. The negotiations in the Council on a restructuring of the relationship between Greenland and the Community are about to reach their conclusion, and those negotiations are being conducted in the direction of the association status for which we have worked for so long in Greenland. The report and its recommendations proceed on the lines of that association status, and that is excellent. I should like to say to Mr Battersby, in his own splendid Eskimo: 'qujanaq!'

Lynge

However, as you know, Mr President, I have tabled a number of amendments which we are to vote on tomorrow. To begin with, I am dissatisfied with the wording under recital M of the preamble, which says that the TACs should be set in consultation between Greenland and the Community. It should read 'by Greenland alone', and it cannot be otherwise, for it is the very heart of the matter for us. The key issue in our desire to relinquish actual membership of the Community is that we want full jurisdiction in the setting of the TACs for ourselves, and I think that is also fully accepted in the Commission's proposal, which goes to the Council in a few days' time or has possibly already gone to the Council.

Secondly, the proposal under recital T of the preamble to set up a Joint Management Committee to manage Greenland's fisheries is a thoroughly bad idea. Greenland's fisheries will in future be managed by ourselves, certainly not by a Community creation, which is what management committees are. Even Mr Battersby's own group is not always particularly enthusiastic about management committees, as we know them in other sectors.

In paragraph 1, II of the motion for a resolution, the word 'providing' should be removed from the text, and I believe that Mr Battersby agrees to that. I am well aware of the Commission's attitude on the matter, but it is not acceptable that duty-free access for fishery products should be negotiable. Duty for duty and fish for fish, that must be the ruling principle. And if it cannot be fish for fish, then fish for money. The value of freedom of access and freedom from duties for the EEC on Greenland's consumer market is not spoken of very much, but it is there. The Community does after all enjoy free and duty-free access to the Greenlandic consumer market, and the value of that is greater than that of the Greenland's access to the EEC for its products, so it is not reasonable to weigh customs freedom against access for fishery products.

The words 'TAC, quota' should be deleted from paragraph 1, V; likewise the words 'other conditions', since it is meaningless to speak of non-discriminatory conditions when it is a question of TACs or quotas. TACs are never discriminatory; they are after all established by biologists or on the basis of the responsible

recommendations of biologists. On the other hand, quotas are inevitably discriminatory; it is in the nature of things. The only thing which makes any sense here is to speak of non-discriminatory technical conditions, and that we willingly accept.

Under paragraph 1, VIII, it makes more sense for Parliament to set up an all-Community committee to develop the long-term fishing plan desired. It is the party which has the quotas which should draw up the plan. A joint committee to work out a common fishing plan would constitute an unnecessary complication. But there is plenty of scope for cooperation, and there should be cooperation. There should be cooperation with Greenland's own government and its directorate for trade in this matter, and I readily recommend it.

Finally, I recommend that we delete paragraph 1, XI because, under the present Community fisheries policy, Parliament does not need to be consulted at every stage. If we insist on being consulted at all stages, as it says here, it will give rise to absolutely unacceptable delay in the solution of the Greenland question, and all kinds of other undesirable consequences will result.

President. — In view of the lateness of the hour we shall adjourn the debate, which will be resumed tomorrow.

Mr Battersby (ED), rapporteur. — Mr President, I know this is asking a lot of our interpreters and of the House, but I think we have only got five minutes more and four more speakers — Mr Helms, Mr Gautier, Mr Dalsager and Mr Provan. Could we go on 10 minutes and finish it, if everybody is willing?

President. — Personally, Mr Battersby, I am entirely at your service, as you know. However, the same may not be true of the staff, to whom we have made certain promises that are binding on us.

The debate will be continued tomorrow after the votes.¹

(The sitting was closed at midnight)

¹ Agenda for next sitting: see Minutes.

ANNEX I*Votes*

The Annex to the Report of Proceedings contains the rapporteur's opinion on the various amendments and the explanations of vote. For a detailed account of the voting, see Minutes.

MOTIONS FOR RESOLUTIONS 'MIDDLE EAST'

- HAAGERUP AND GAWRONSKI (Doc. 1-1420/83): ADOPTED
- BARBI (Doc. 1-1429/83/rev.): ADOPTED
- WIECZOREK-ZEUL (Doc. 1-1423/83): ADOPTED

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MOTIONS FOR RESOLUTIONS 'FREE MOVEMENT IN THE COMMUNITY'

- GAWRONSKI (Doc. 1-1398/83): ADOPTED
- BOCKLET (Doc. 1-1422/83): ADOPTED

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MOTIONS FOR RESOLUTIONS 'HUMAN RIGHTS'

- FRISCHMANN (Doc. 1-1441/83): ADOPTED
- FLANAGAN AND LALOR (Doc. 1-1410/83/rev.)
- RYAN (Doc. 1-1426/83)
- MAHER (Doc. 1-1438/83)

REPLACED BY AMENDMENT NO 1 WHICH WAS ADOPTED

- THEOBALD-PAOLI (Doc. 1-1431/83)
- CHAMBEIRON (Doc. 1-1439/83)

REPLACED BY AMENDMENT NO 1 WHICH WAS ADOPTED

- DURY (Doc. 1-1433/83): ADOPTED
- GLINNE AND JAQUET (Doc. 1-1434/83): ADOPTED

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LENZ MOTION FOR A RESOLUTION (Doc. 1-1427/83 'UNEMPLOYMENT AMONG WOMEN'): ADOPTED

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MOTIONS FOR RESOLUTIONS 'NATURAL DISASTERS'

— WIECZOREK-ZEUL (Doc. 1-1424/83): ADOPTED

— HERMAN (Doc. 1-1430/83): ADOPTED

— GLINNE (Doc. 1-1432/83): ADOPTED

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ISRAËL MOTION FOR A RESOLUTION (Doc. 1-1418/83 'AFGHANISTAN'): ADOPTED

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HABSBURG MOTION FOR A RESOLUTION (Doc. 1-1437/83 'SOVIET UNION'): ADOPTED

* * *

WALZ MOTION FOR A RESOLUTION (Doc. 1-1446/83 'ESPRIT'): ADOPTED

* * *

GAUTHIER MOTION FOR A RESOLUTION (Doc. 1-1449/83 'IRON AND STEEL MARKET'): ADOPTED

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HERMAN REPORT (Doc. 1-1251/83 'EMS'): ADOPTED

The rapporteur was :

— IN FAVOUR of Amendment No 8 ;

— AGAINST Amendments Nos 1, 2/rev., 3 to 5 and 9.

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HALLIGAN REPORT (Doc. 1-1237/83 'FINANCIAL INTEGRATION'): ADOPTED

Explanation of vote

Mr Bonaccini (COM). — (IT) On behalf of the Italian Members of the Communist and Allies Group let me express our agreement with the ideas and findings of Mr Halligan. This is a set of proposals which seek to promote the idea of a total liberalization of the movement of capital. Our group endorses the report, and we also feel that it has been drawn up in a balanced and effective way with regard to the aims it sets out to achieve.

* * *

DESOUCHES REPORT (Doc. 1-1264/83 'INVESTMENT POLICY'): ADOPTED

The rapporteur was :

- IN FAVOUR of Amendments Nos 8 and 9 ;
- AGAINST Amendments Nos 1, 2/rev. and 3 to 7.

Explanations of vote

Mr Fernandez (COM). — (FR) The French Members of the Communist and Allies Group are convinced that it is now essential to implement a European policy to encourage productive investment so as to revive growth and create jobs. We share in this connection the rapporteur's concern regarding the need to broaden the policy of Community loans. We are sorry however that the emphasis has been placed solely on lightening the load for companies. This is the stock cry of management.

To get things straight we should tackle the problem of the tremendous financial muddles which are caused by speculation and of which the boom in stock market dealings in France is the proof. We should also deal with the serious problem of the outflow of capital from Europe, caused by the artificially high interest rates in the United States.

This is why we tabled an amendment calling on the Commission to look into the scale of these capital transfers to the United States and to find ways of channelling this capital to encourage investment in Europe. Since the amendments have distorted the spirit of this report, we shall be voting against it.

Mrs Théobald-Paoli (S), in writing. — (FR) The European economy is approaching the end of the century with alarming signs of weakness. Strategic sectors of the economy are coping badly with the competition from the United States, Japan and the newly industrialized countries. Unemployment is increasing everywhere, except in France, and private investment is stagnant or falling. Europe is giving up but there is a tremendous amount at stake. To respond to the situation, the human and financial resources of the whole Community must be called into action. Top priority must go to investment in order to encourage modernization and create jobs. An improvement in the financial situation of firms is vital if they want to be in a position to invest.

At the national level the Parliament of my country has already adopted several measures of this kind, in particular a tax credit for firms with new ideas, an exemption from local taxes and professional contributions for companies set up in 1983 and 1984, the creation of a shares savings account, a scheme to encourage investment in securities, and so on. These are excellent ideas which the report by the Committee on Economic and Monetary Affairs suggests should be introduced at the European level. As for the Council, the Presidency is well aware of the challenges from elsewhere and is proposing to revitalize Europe's industry and research. The French Socialists wish to join with the Council and Parliament in their efforts, and for this reason we shall be supporting the rapportur's proposals.

*ANNEX II*VISIT BY HER MAJESTY QUEEN BEATRIX, QUEEN OF THE NETHERLANDS,
TO THE EUROPEAN PARLIAMENT*Formal sitting*

IN THE CHAIR : MR DANKERT

President

(The formal sitting was opened at 12 noon — on entering the Chamber Her Majesty Queen Beatrix was greeted with loud and sustained applause)

President. — Your Majesty, allow me to welcome you and your husband to this special sitting of the European Parliament and to say how very grateful I am to you for accepting the invitation from the Bureau of the European Parliament to address the House today. You are the first crowned Head of a Member State of the European Community to be received in this way.

(Applause)

Moreover, you are the first Head of State of a Community country to address the House at a time when the Presidency of the Community is not held by his or her country. Two precedents are thus being set.

You were invited, not because the current President of this Parliament happens to be one of your subjects. No, the real reason is that we have been struck by the extent of the keen and benevolent interest in this institution which you have always shown, even when it was not yet a directly elected European Parliament, but only an assembly of delegates from the six original EEC countries. In November 1961, you paid a two-day fact-finding visit to this Parliament, whose home then, as you will doubtlessly remember, was considerably more humble than it is now. Perusing the report of the plenary sitting of 21 November 1961, I came across a welcoming speech by the then President, Mr Furler. Referring to your presence in the gallery of the House, he said that, at Her Royal Highness's request, as little publicity as possible had been given to the visit. Now, over 22 years later, you will realize, Your Majesty, that you cannot escape publicity. We are happy to be able to give you the opportunity today to renew your acquaintance with our assembly.

There are enormous differences between 1961 and 1984. Then, Europe was going through an economic boom; the employment market was untroubled; the consolidation of the modern welfare state was proceeding apace in the Northern countries; and European economic unification, as provided for in the Treaty of Rome, also appeared to present few problems. Now, 23 years on, Europe's image is one of persistent economic crisis: there are 12.5 million unemployed in our 10 Member States; many sections of the population are again living under the threat of poverty; and the Community is characterized by exhaustion of financial resources and regular encroachments on the most important achievements of more than a quarter of a century of integration — the common agricultural policy and the internal market.

In a speech in Toulouse, also at the start of the 1960s, you said something that has greater relevance today than ever before. You said that we should realize, not without great sadness, that, instead of Community ideals, we had only Community problems and that these problems were the only form of European unity.

The European Parliament does not claim to have a wonder remedy for all ills. However, there is a greater appreciation here than anywhere else that only a European approach can bring about — or, more modestly, can help to bring about — a solution to the problems besetting all the Member States. We consider it dangerous to let our countries' citizens

labour under the delusion that national governments will be able to come anywhere near tackling and solving those of their problems that have a European or international dimension. But a European approach cannot be imposed. It will come about only if our governments and parliaments genuinely wish it and are prepared to abdicate power, which does not mean sovereignty. They must simply bring about the policies for this purpose. There is but little time to adopt such policies, and here let me refer again to the speech made by the President of the Commission yesterday.

Your Majesty, you represent a Member State of the Community in which there has always been a keen awareness of the need for European cooperation. Your mother and you yourself — not so long ago when speaking at a dinner in The Hague — have played an important role in this. It is for this reason too that I take great pleasure in calling upon you to speak today.

(Loud and sustained applause)

Her Majesty Queen Beatrix. — *(NL)* Mr President, Members of the European Parliament, here in the midst of your Assembly I find myself at the heart of Europe's strongest tradition, the tradition of free citizens who feel a shared responsibility for their society. This tradition evolved in the form of a parliamentary democracy.

In the centuries that lie behind us, this development has led not only to concord but also, unfortunately, to much strife. Towns and regions expanded into larger groupings, into nations which, although they had much in common, vied with one another for superiority. Time and again European disputes have been settled by force of arms.

The indiscriminate savagery of war, in this century in particular, provoked an ever deepening abhorrence of violence. Everywhere there was a growing realization that the fratricidal struggle between the nations of Europe had to be brought to an end. People started to search for new solutions to the existing conflicts, in the conviction that in the final resort the ties binding the nations of Europe together were stronger than the differences separating them. It was this realization which inspired the great Congress of the European Movement at The Hague in 1948. There the heartbeat of the true Europe was felt for the first time — there the basis was laid for reconciliation and cooperation.

Nowadays we rarely stop to consider the courage and political ingenuity which resulted in the conclusion of the Treaties of Paris and Rome after the Second World War. The two treaties constituted a surprising breakthrough in the traditional relations between the sovereign States of Europe and offered our nations new and unique opportunities. They gave our continent the stability and self-confidence which are still the foundation of our strength today. The enthusiasm of that inspiring start must never be forgotten. Let us hold up as an example to the young people of today the Europeans who founded the Community. It was they who realized that the moment for the great choice had come; at the crossroads of time they perceived the future.

Gradually the framework of European cooperation took shape. And so, ultimately, you were called together as the directly elected representatives of the citizens of Europe. Your mandate is a comprehensive one. You are representatives of your own country and society, yet your mission is to serve the common interest. Every day you have to demonstrate in your thoughts and actions that solutions based on narrow national interests do not hold the key to the future; instead the European Community must take precedence.

(Applause)

After all, the best way to defend one's own interests is to defend the common interest.

(Applause)

To you has been entrusted the task of ensuring that the spirit of Europe remains perceptible behind what is often an obscure and anonymous bureaucracy. The goal is to build up a vigorous Community with which the people of Europe can identify, not a Europe of sections and subsections but a Europe of human beings.

(Applause)

It is its direct relationship with the electors which confers upon your Parliament its moral authority. These electors will shortly be called upon for the second time to choose their representatives. I should like to echo the words of the King of the Belgians, who expressed the hope in his New Year message that the citizens of Europe would realize that the struggle to attain a united Europe was being waged not for an abstract concept but for employment, social welfare and the future of their children.

(Applause)

These elections should not, as happens all too often, be represented as a barometer of national politics; they are essentially a touchstone for policy in the European context.

Members of Parliament, much has already been achieved in Europe. Although this in itself gives cause to be thankful, we have experienced disappointments as well. Sometimes it must be difficult for you to sustain your exertions on behalf of Europe when expectations are not fulfilled and barriers are not dismantled. This is also the experience of many who place themselves with conviction in the service of an ideal.

You must, however, be comforted by the knowledge that in all the Member States people admire your perseverance in following the path you see before you, despite all the trials and tribulations. As European parliamentarians, more responsibilities than powers have been vested in you. This has not made your task any lighter. Your efforts to attain more powers are therefore justified. A position of strength is an essential condition for the proper discharge of your duties. In the same way that a chain is only as strong as its weakest link, the Community is only as strong as its weakest institution.

(Applause)

This week in particular you are demonstrating your awareness of your responsibility towards the Community. It is with more than usual interest that many people are following the discussion of your proposals for a European Union. This interest is understandable, since your ideas are of fundamental importance to the future of the Community.

Your task is above all to reveal the possibilities of a European Union. The initiative which you have taken will compel the governments and parliaments of the Member States to reflect on the opportunities inherent in your proposals.

You were fully justified in putting forward this bold project. If the Community is not to ossify and grind to a halt, it must display vitality and have the courage time and again to propound new ideas. Only in this way can it help to guide developments in Europe and in the world. Renewal also involves being accessible to other European countries which subscribe to the principles of the Community.

There are many misconceptions about the unity of Europe. For too long people have regarded the growth of the European Community as a development comparable to the evolution of a nation-State. In the case of the Community, however, it is not a question of the total transfer of national sovereignty to a new State embracing everyone and everything, but rather the striking of a balance between national and Community powers.

In the course of this development, however, the values enshrined in the western democratic tradition must be upheld. The rules of democracy should apply in the Community as elsewhere. One of these rules is the acceptance of majority decisions ...

(Applause)

... though due account must be taken of the interests of the minority.

(Applause)

The current requirement that all decisions should be unanimous is at odds with the principles of democracy ...

(Applause)

... and means in effect that in the Community we are adhering to a principle which we would never accept in our own countries.

(Applause)

The European Treaties themselves provide a carefully balanced system in which decision-making does justice to the general and the particular interests of all Member States, both large and small. In every decision-making process overcoming objections by persuasion is in any event more important than simply overruling them.

In the short term the interests of individual Member States may occasionally conflict with those of a united Europe. If we understand our interests properly, however, we see that in the long term they are complementary. Brussels, Luxembourg and Strasbourg are not the antipodes of the seats of government of the Member States, but instead form with them an indissoluble whole. In different places they serve the same interest.

It also follows from this that the links between the members of the European and national parliaments cannot be close enough. Europe deserves to occupy an important place in discussions and decision-making at national level. Equally this applies to the political parties; the formation of European parties begins in one's own country.

Members of Parliament, 20 years ago, at a meeting of young people in Toulouse, I spoke of European unity for the first time. That too was at a critical juncture in the development of Europe. Then, it seemed, we were setting our sights higher than reality in fact permitted. I distinctly recall how we young people were consumed with impatience — perhaps even with exasperation — at what we considered to be the slow pace of progress in the Communities.

Now, all these years later, I wonder how much progress we have made with European integration. Not nearly sufficient, unfortunately, to enable us to hand over Europe to the younger generation of today with satisfaction and confidence. To many people, therefore, European unity is an abstract concept. Its purpose escapes them. To the individual citizen, the outline of Europe may have become more distinct, but Europe still lacks a face.

We can hardly accuse the young people of today of a want of enthusiasm and involvement if we cannot really convince them that Europe is also in their interest.

(Applause)

Europe can win the confidence of the young only if it offers them renewed hope.

I myself have not lost faith in Europe.

(Applause)

Nor have you evidently, otherwise you would not hold your present position. It is a faith which involves a personal responsibility for each of us.

Responsibility :

- for carrying out the mission which Europe's history entails ;
- for the freedom which past generations have bestowed upon us ;
- for nature, of which we have been given stewardship ;
- for the spread of prosperity within the Community ;
- for the equitable distribution of jobs and the support of those who are unable to work.

In addition, our concern extends to the preservation of peace in the world and we are called upon to support the countries and peoples who are in urgent need of our help.

(Applause)

Over four hundred years ago William of Orange, the founder of the Dutch nation, exhorted the representatives of the provinces of the Netherlands in the following words: 'Guard your Union with care'. To you I should like to address a similar message today: Guard your Community with care, for it is a precious possession.

(Applause)

This possession has in part been committed into your hands. I am convinced that you will continue the pilgrimage towards a united Europe of free people with seriousness and dedication. May your voice resound throughout the Member States with a forceful appeal for unity and cooperation, for your Parliament is the conscience of Europe.

The task awaiting you admits of no delay. Political democracy was born in the eighteenth century. Social democracy was born in the nineteenth century. If European democracy is to be born in the twentieth century, our task must be accomplished in only sixteen years.

(The Members rose — loud and sustained applause)

President. — Thank you, Your Majesty.

(The formal sitting was closed at 12.35 p.m.)

SITTING OF FRIDAY, 17 FEBRUARY 1984

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IN THE CHAIR : MR ESTGEN

Vice-President

(The sitting was opened at 9 a.m.)¹

1. *Votes²*

LIGIOS REPORT (Doc. 1-1374/83 'TAX ON WINE')

Motion for a resolution : after the rejection of Amendment No 17

Mr Hopper (ED). — Mr President, during the January part-session Mr Ligios requested that my report be delayed so that it could be taken with his in this part-session. I think the House should respect the desire of Mr Ligios and also its own expressed wishes during the January part-session that the two reports be taken together. I should therefore like to ask for a quorum count on this report.

(More than 10 Members rose to support Mr Hopper's request — The President put Amendment No 1 to the vote to establish whether a quorum was present)

President. — I note that a quorum is not present. Therefore, pursuant to Rule 71(3) of the Rules of Procedure, the vote shall be placed on the agenda of the next sitting.

Mr Boyes (S). — Mr President, I just wanted an interpretation of the Rules. If somebody asks for a quorum after voting has begun, does the request cover just one particular amendment or the whole resolution? Would it not make more sense if people had to ask for a quorum to be established before the vote on the resolution begins. Otherwise Members will wait and see whether or not they lose the vote on two or three amendments and then if the vote is not going their way, suddenly ask for a quorum. I think that what has happened is that a quorum has been requested on a particular amendment and that we can carry on voting on the rest of the amendments now.

President. — A vote is needed to establish whether or not a quorum exists. The most normal thing is to do so at the point where the previous vote stopped. If a quorum is present the vote is, clearly valid.

BOMBARD REPORT (Doc. 1-1137/83 'USE OF SEWAGE SLUDGE IN AGRICULTURE')

Proposal for a directive: Article 9 — Amendments Nos 8 and 13

¹ Approval of minutes — Verification of credentials — Membership of Committees — Petitions — Documents received — Procedure without report (Rule 99 of the Rules of Procedure): See Minutes.

² See Annex.

Mr Bombard (S), rapporteur. — (FR) Mr President, Mrs Squarcialupi's amendment going further than Amendment No 8 of the Commission, I am for the former amendment.

My position is as follows, Mr President: in the normal way I should be the committee rapporteur and therefore present the committee's amendments. As it happens there has been an error in the voting and the vote as a whole was not taken when it should have been, so that the amendments that have come after are amendments that should have been discussed in committee but were not. Hence my rather equivocal position.

PRAG REPORT (Doc. 1-1357/83 'VOCATIONAL TRAINING')

After the vote on the proposal for a decision

Mr Prag (ED), rapporteur. — I think we had fairly clear indications from the Commission last night that it would accept the amendments that we have just adopted. Could we have a formal statement from the Commission that it accepts our amendments?

Mr Dalsager, Member of the Commission. — (DA) Mr President, the Commission accepts Amendments Nos 1, 2, 3, 4, 7, 8 and 11, but cannot go along with the others. I think that was also the information I gave last night, after we debated the matter.

Mr Prag (ED), rapporteur. — I move to refer the matter to committee so that we may look at the matter again, because the Commission has not accepted the two time-limits that we put into our amendments. As I understand it, neither Amendment No 9 nor No 10 has been accepted by the Commission. Those are the two time-limits we put in for the programme. May I ask if the Commission accepts Amendment No 11?

Mr Dalsager, Member of the Commission. — (DA) Mr President, I think I have already said that the Commission accepts No 11.

Mr Prag (ED), rapporteur. — In that case, as Amendment No 11 envisages the completion of the work within five years, I withdraw my request for referral to committee.

2. *Welcome*

President. — I welcome Mr Kurt Biedenkopf, and the members of the Bundestag and the Landtag of North Rhine-Westphalia who have taken their seats in the official gallery.

(Applause)

3. *Sparkling wines*

President. — The next item is the report (Doc. 1-1371/83) by Mr Dalsass, on behalf of the Committee

President

on Agriculture on the proposals from the Commission of the European Communities to the Council (Doc. 1-212/83 — COM(83) 155 final) for :

- I. a regulation amending Regulation (EEC) No 358/79 on sparkling wines produced in the Community and defined in Item 13 of Annex II to Regulation (EEC) No 337/79
- II. a regulation laying down general rules for the description and presentation of sparkling wines and aerated sparkling wines.

Mr Dalsass (PPE), rapporteur. — (DE) Mr President, we now have to consider the proposal for a regulation laying down general rules for the description and presentation of sparkling wines and aerated sparkling wines.

In my view, this is an important regulation and should really have been produced sooner. The Commission did consider submitting such a proposal to Parliament in 1974, but, unfortunately, nothing came of it until today. Now, at last, it is ready for consideration in order to establish some order in this field.

We should not forget that over the last few years the market in sparkling wines has undergone some pronounced distortions, due mainly to the discrepancy, or even the lack, of Member State regulations on the subject, and Community regulations are needed to put a stop to this in future. These Community regulations have been examined and approved by the Committee on Agriculture.

For the sake of order and also to make them easier to grasp, all provisions on the description and presentation of sparkling wines have now been brought together in one single regulation. For this reason, certain provisions of Regulation No 358 of 1979 have had to be cancelled.

The new draft regulation prescribes, quite rightly, certain data that are essential to the consumer. This will make easier the business of surveillance by Community agencies. It will also afford protection for good-quality products, as well as protecting the consumer by enabling him to know exactly what sparkling wine he is consuming.

I have tabled a number of amendments to the draft regulation : these were all approved by the Committee on Agriculture and are now to be put to the vote in plenary sitting, as required by the Rules of Procedure. All amendments, as also the regulation itself and my motion for a resolution, were approved in the Committee on Agriculture without any opposition.

In my motion for a resolution, I recommend the Commission to reconsider whether all the additives

contained in these sparkling wines should be indicated on the label, because in my view a whole list of such additives does not interest the consumer and is only likely to confuse him. I think this should be looked at again. I have not demanded any modification or cancellation of these provisions, but merely urged the Commission to consider the matter once more.

Apart from this, you are aware that this regulation lays down precise rules for indicating the area where the wine has been grown, the variety of vine and the year of production. In this way, we shall be taking a good step forward in the regulation of our sparkling wines.

In conclusion, perhaps I should add that this regulation somewhat resembles the second regulation on definitions relating to alcoholic beverages, which is due to be laid before this Parliament. These two regulations — the one for sparkling wines, the other for alcoholic beverages — are absolutely essential for the proper protection of both producer and consumer.

I hope that the House in plenary sitting, like the Committee on Agriculture, will give this regulation its full approval.

Mr Dalsager, Member of the Commission. — (DA) Mr President, I am happy about this report, which Mr Dalsass has presented on behalf of the Committee on Agriculture with only a few changes and which moreover approves the Commission's proposed regulation on the amendment of the provisions applicable to the reproduction of sparkling wines and of the rules governing the description of this wine. I have no objections to most of the proposed amendments. There is no doubt that they constitute an improvement to the text. I should like to take this opportunity of thanking Mr Dalsass for this.

I am more hesitant to support Amendment No 6, however, that is the possibility of presenting a variety name for sparkling wines without a geographic reference. Such a possibility might lead to demands for the same for non-sparkling wines, which is not desirable. One and the same variety can result in wines with quite different characters, depending on what areas the grapes are grown in.

Apart from that, I do not think that there is any justification, as proposed in Amendment No 7, for indicating the name of the variety on common sparkling wines which are not distinguished by particularly high quality. I think that the name of the vine variety should only be indicated, in the interests of consumer information, on various categories of quality sparkling wine. I thank the committee and the rapporteur.

President. — The debate is closed.

Vote¹

4. Oils and fats

President. — The next item is the report (Doc. 1-1372/83) by Mr Jürgens, on behalf of the Committee on Agriculture, on

the proposal from the Commission of the European Communities to the Council (Doc. 1-995/83 — COM(83) 601 final) for a regulation amending Regulation No 136/66/EEC on the establishment of a common organization of the market in oils and fats.

Mr Dalsager, Member of the Commission. — (DA) Mr President, I think it is worth saying a few things on the matter before the vote is taken. The aim of this proposal is to introduce a guarantee threshold for sunflower seed, without imposing any limitation on the production of this product, for which there is a demand in the Community; but we also want to give an early warning that perhaps we should not allow the development in production of this special product to get out of hand. I should like to thank Mr Jürgens and the Committee on Agriculture for their support for the Commission's proposal and say that the Commission believes that this, which forms part of proposal COM(83) 500, is necessary to enable us to manage the future development of this sector more effectively.

President. — The debate is closed.

Vote¹

5. Cereals

President. — The next item is the report (Doc. 1-1373/82) by Mr Ligios, on behalf of the Committee on Agriculture on

the proposal from the Commission to the Council (Doc. 1-994/83 — COM(83) 604 final) for a regulation amending Regulation (EEC) No 2727/75 on the common organization of the market in cereals.

Mr Ligios (PPE), rapporteur. — (IT) Mr President, the Commission's proposal is intended to introduce four amendments to the basic regulation on cereals.

In the first place it proposes fixing a limit for the guarantee for durum wheat at 4 546 000 tonnes for the 1984/85 marketing year.

Secondly, in the case of durum wheat it provides for the abolition of compulsory intervention which it replaces by voluntary intervention to be decided from time to time and which can take different forms such as purchase, export or private storage.

The third change proposed is the application to sorghum wheat, as of 10 August 1984, of the single cereal intervention price from which it had hitherto been excluded.

Finally, it provides that each year, at the time of fixing agricultural prices the possibility of reducing the guide price for various cereals and not only the intervention price as was hitherto the case.

The Committee on Agriculture discussed these four proposed amendments and, by a large majority, approved the proposal to include sorghum in the cereal intervention price regime since it is a typical product of the drier zones of the Community and is sufficiently limited.

The Committee on Agriculture also accepted the proposal for revising the cereal guide price. However, it rejected by a large majority the two proposals on durum wheat.

In the first place, with regard to the guarantee level, it was pointed out that this product is in deficit since we import a certain amount of durum wheat from Argentina and Canada. In fact it has never been in surplus and, in the view of the committee, this will still be the case if Spain and Portugal join, although this could be the case in 1988/89. We feel that it would not be right to apply a guarantee threshold and that it could not propose imposing an across-the-board levy on all costs which would affect indiscriminately products in surplus and in deficit and products from rich regions and poor regions. We feel that the Commission was endeavouring to realize savings of the order of 4 million units of account on storage in particular.

We have stated that last year we imported 1 100 000 tonnes and that production in 1983 was actually much lower than in 1982. It amounted to 3 791 000 tonnes.

The Commission also stated that it was opposed to the abolition of compulsory intervention for durum wheat. In our view intervention should not have the effect of discriminating against what is a product of the poorest regions. It is true that there are currently fixed quantities for intervention. This is due to two facts: first, the difficulty of transporting the product from the area of production to that of consumption and, secondly, I believe — and this is something I can prove — to the poor quality of the product. The Committee on Agriculture therefore feels that rather than insisting on the abolition of intervention it should stress quality. On the other hand the Commission has put forward proposals for determining the quality of grain for breadmaking and the quality of durum wheat eligible for intervention.

Mr Vgenopoulos (S). — (GR) Mr President, we have repeatedly stated in this Chamber that we do not agree with proposals for indiscriminate, across-the-board cuts in agricultural expenditure. We realize, of course, that as members of the Community we all

¹ See Annex.

Vgenopoulos

have a duty to palliate our difficulties by endeavouring to allocate that expenditure in a fairer, more rational manner. However, our endeavours must be governed by certain principles; in other words, savings must be made on the basis of certain criteria, not as an end in themselves. First and foremost, they must not exacerbate imbalances in the Community. They must reflect the specific features of each branch of production and the system of external protection of the common organization of the market in each product. Above all, a distinction must always be drawn between surplus and deficit products in the Community. Unfortunately, the Commission's proposals for savings are one-sided in that they restrict expenditure, but also maintain the privileged status of particular products and regions. We would find these cuts acceptable only if the funds released by the savings were used to benefit the disadvantaged regions, improve the functioning of the CAP and, more specifically, develop a genuine structural policy.

I fully share all the views expressed by the rapporteur, Mr Ligios, in his report. We cannot accept production limits on a product in short supply, such as durum wheat, when it is produced by disadvantaged regions of the Community. Guarantee thresholds will have to be set when it becomes necessary, on the basis of certain principles and criteria. As long as the purpose of guarantee thresholds is solely to economize on credit at all costs — i.e. a purely economic criterion — without reference either to the system of external protection of the product or to the tendency for production to increase in relation to actual sales outlets, we shall never be able to agree to these production limits.

In its proposal on durum wheat the Commission argues that there are peripheral surpluses. To me, Mr President, that is incomprehensible. What does peripheral surplus mean? Do we belong to the European Economic Community or not? It is dangerous to attack a product such as durum wheat on the pretext that there is a peripheral surplus, when we all know that the Community suffers from a shortage in that sector and has to import more than a million tonnes each year.

The abolition of compulsory intervention in favour of optional intervention will have immediate negative repercussions on producers' incomes and may jeopardize the common organization of the market in durum wheat. I would therefore propose that the Commission, instead of taking steps inconsistent with the Treaty of Rome, plan the necessary structural measures to improve the functioning of the common organization of the market in durum wheat. In Greece, as the rapporteur, Mr Ligios, rightly observes, the geographical remoteness of production areas from the main Community consumption centres entails transport costs which often make the sale of the product unprofitable. One way of selling the product would be for the difference between the intervention

price and the target price to be equivalent to the cost of transporting the product from surplus areas to deficit areas of the Community.

Mr President, the Greek Socialists disagree with the Commission's proposals to establish a guarantee threshold for durum wheat and alter the intervention system. We fully support Mr Ligios' report and the measures he proposes for the protection of Community production, and we shall vote for them. But we shall vote against all the amendments because they aim to alter the motion for a resolution.

Mr Provan (ED). — Mr President, yesterday Mr Ligios showed that he had very little interest in Community affairs when he tried to achieve something for his own wine producers. Today he seems to be doing exactly the same thing for his durum wheat producers in Italy. I cannot understand how a Member of this Parliament can come forward with a report which says that a product is not in surplus and yet argues that it is not necessary to have guaranteed thresholds. If a product is not in surplus, why not have a threshold so that people at least know where they are and how far they can go before incurring any penalties? It is absolutely ridiculous for a man like Mr Ligios to come along with such a hare-brained idea, to say that the Community is going to give absolutely no guidelines to producers. I cannot understand him and I cannot understand why on earth he can make such a useless proposal.

Mr Gautier (S). — *(DE)* Mr President, ladies and gentlemen, once more this report is typical of the Committee on Agriculture, particularly when Mr Ligios is the rapporteur. As we say in our language, he is literally 'dripping' with interests. This I can understand, but we as a Parliament should take another approach. We decide in this Parliament — with the support of his group, I must add for Mr Ligios's benefit — that as a matter of principle we are in favour of introducing production thresholds. But this remains only a principle: when we get down to it, we find people saying, over every single product, that they are against, and Mr Ligios proceeds to argue that these products are in short supply. Well, Mr Ligios, if that is really so, I find myself wondering every time how it was that we couldn't find a market for these products: people should actually have been running after them. In practice, however, this is not the case, for a wide variety of reasons. However that may be, you now set yourself against the idea of introducing production thresholds in this field.

Incidentally, I would remind you that your voting procedure is not entirely consistent, because on the previous item you voted in favour of production thresholds for sunflowers even though these are also in short supply. But that is by the by: you probably don't produce sunflowers.

(Applause)

Gautier

There are two more points I should like to make. First, Mr Ligios writes, in this report from the Committee on Agriculture, that Community legislation is necessary on the production of pasta products. Strictly speaking, this has nothing to do with the Commission's regulation. If one looks at the explanatory statement, one finds what the purpose behind this is — that is to say, you want to make the use of durum wheat obligatory for pasta production, which would result in another increase in the price of pasta products without offering the consumer any advantage with regard to quality. Secondly, this would mean that pasta production could only be carried on in regions where durum wheat was in surplus, since elsewhere durum wheat is not easily available.

If producers have good reasons for making noodles out of a mixture of durum wheat, soft wheat and eggs, which obviously suits the consumer's taste, I fail to see why this should be forbidden. Since we are opposed to such Community legislation, we have tabled the amendment to paragraph 5. Here, Mr Ligios is, in a way, arguing in favour of a purity standard for noodles.

(Laughter)

Our position on this matter is a somewhat different one.

One final remark. Mr Ligios always champions the small farmer, as the Christian-Democrats do as a whole. Now we have a chance of seeing how things really stand. In the Committee on Agriculture, I tabled an amendment favouring the small farmer, that aid for planting durum wheat be confined to the first 10 hectares, because this would cover the small farmers in Italy and Greece. This, however, was rejected, and our aids are calculated according to the area planted, whether it be 1 hectare, 10 hectares or 100 hectares. Now, Mr Ligios, if you are really for the small farmer, let us take you at your word and limit the aids paid to those who have no need of them — that is to say, to those who plant 100 or 200 hectares. You should support our proposal to furnish aid only to the small farmer and to limit durum wheat aid to the first 10 hectares.

In conclusion, if the amendments here tabled are not adopted, I and many of my friends will not be able to vote for this report.

Mr Dalsager, Member of the Commission. — (DA) Mr President, on behalf of the Commission, I should like to thank Mr Ligios for the report and the support it gives to the Commission's proposal for an extension of the Community intervention system to cover sorghum and for adjustments to the target price, provided the co-responsibility principle is applicable. On the other hand, the Commission cannot agree with points 3 and 9 concerning the introduction of a guarantee threshold for durum wheat and the replace-

ment of the compulsory intervention requirement for this grain variety by optional intervention measures.

With regard to the introduction of a guarantee threshold for durum wheat, the Commission is of the opinion that, even if there is equilibrium at the present time, there is a real risk that a surplus situation may arise in the short term. This has to do in part with the fact that production is rising and consumption falling in the Community. In the medium term, account must be taken of the enlargement of the Community. The Commission must therefore reject the assertion in point 7 of the motion for a resolution suggesting that the Commission has overestimated the effect of Spanish entry on the formation of a structural surplus in durum wheat.

In considering the experience from those sectors in which there are structural surpluses and the high costs to which this production gives rise for the Community budget, accounting for a higher proportion of the expenditure on the grain sector than the relative share which this production takes in cereal production as a whole, the Commission feels that the proposed measures are absolutely essential. Only in this way will it be possible to guard against the risk of a situation arising in which supply permanently exceeds our own requirements, thus leading to surpluses which will be difficult to dispose of either on the Community market or on the world market.

With regard to the abolition of compulsory intervention and replacement by optional intervention in the form of special measures, the Commission feels that we are dealing here with a proposal having a dual aim. On the one hand, durum wheat will be covered by the same rules as apply to baking-quality wheat, for which reference prices are also only supported by special intervention measures, on the other hand the proposal affords the possibility of better management of the regional surpluses at the same time as obviating the need for unreasonable intervention purchases.

Mr Ligios (PPE), rapporteur. — (IT) Mr President, I listened with some amazement to the Commissioner's statement. The data must be different from those with which the Commission itself supplied me. Commissioner Dalsager, who stated that this product was in surplus, should inform me if the data on production which I quoted are the official Community data or whether they simply dropped out of the sky.

With regard to durum wheat production — the Commissioner stated that this product has been increasing continually — the Commission stated that we produced 4 113 000 tonnes in 1979, 4 713 000 in 1980, 4 330 000 in 1981 — production is therefore falling — 4 155 000 tonnes in 1982 and 3 791 000 tonnes in 1983. In all these years we imported as a general rule about 2 million tonnes. Last year — and I have the exact figures — 1 101 000 tonnes were imported. Therefore anyone who states that this is a

Ligos

type of production which can explode — like sunflower or colza or any other type of product, shows that he knows nothing whatsoever about the areas in which they are cultivated — which are the most impoverished and where the maximum yield — this is something which the Commissioner can deduce on the basis of area — averages 1 200 kilos per hectare ; and these figures do not apply today in 1983, but when durum wheat existed. This is something which the Commissioner should state and carefully examine.

With regard to what my colleague, Mr Provan, stated I shall leave what he has said to his own good taste. He is an outspoken defender of depressed areas, but only of those which produce products which are in surplus, for example, milk.

I agree with what Mr Gautier said concerning, for example, pasta, etc. In fact I accept the amendment which he put forward and which seeks to point out that we are not being guided by any kind of preconception. But here we are dealing with a matter of principle. We are talking about a product which is not yet in surplus and which stands very little chance of being in surplus in the future. That is what the Commission has written, Mr President, not just what I am saying! It stated that they might be in surplus following the accession of Spain and Portugal, but not until 1989. Would the Commissioner therefore explain to me why we wish to put a limit on the guarantee. It is something I cannot understand.

Mr Dalsager, Member of the Commission. — (DA) Mr President, I have said that at the present time production and consumption of durum wheat are broadly speaking in balance, but the risk of imbalance in the medium term seems patently obvious. It should indeed be pointed out that, on a regional basis, intervention deliveries are running at levels which cannot be overlooked. In 1981-82 interventions accounted for 12 % of production ; in 1982-83 the figure was 10 %.

In that connection the Commission must refute the argument presented by the speaker according to which intervention is due to bad management of the agricultural expenditure system. In the two production years during which, for example, in Italy, there have been massive deliveries to intervention, imports of durum wheat to that country took place to a large extent by the procedure known as inward processing, i.e. not involving agricultural expenditure. In 1981-82 that applied to 90 % of imports and in 1982-83 to 84 %, and these imports are re-exported outside the conventional system for agricultural expenditure.

It is more a question of how we manage this market and this production in future. We should realize that, when we look at other sectors in which we have introduced production thresholds and at what we are now doing to get production under control, the Community has acted too late. I think therefore that for the

sake of the future — and the farmers who have to earn their living from the cultivation of durum wheat — it is better for us to give notice already at this stage of how we wish to manage this sector of production.

Mr Provan (ED). — I have a question for the Commission following this statement as well, Mr President. Paragraph 3, first indent, of Mr Ligos' report says quite clearly: 'this is not a product in surplus'. Now can the Commission tell us plainly whether the product is or is not in surplus? The whole report really hinges on that fact. It would be a pity if the whole basis of the report were seen not to be credible, thus also impugning Mr Ligos' own credibility.

Mr Dalsager, Member of the Commission. — (DA) I have already said twice, Mr President, that it is a product which, broadly speaking, is in equilibrium, but that large imports are taking place through the inward processing channel which are re-exported, and that high intervention levels are also being recorded. We should be attentive to that fact. If it was a product of which certain quantities were not available, it would not be necessary to introduce permanent intervention ; but this is the situation, and these interventions are running at quite appreciable levels, irrespective of whether the product is not heavily in surplus at the present time. We think therefore that it is better to set a guideline before the product goes into surplus. That is why we have presented a proposal of this kind.

President. — The debate is closed.

Vote¹

Motion for a resolution: Paragraph 3 — Amendments Nos 3 and 4.

Mr Gautier (S). — (DE) We adopted the Commission's regulation at the first vote. As it provides for the introduction of a guarantee threshold, we are against this paragraph in Mr Ligos's text. I should like to remind you of the interpretation of the Rules of Procedure put forward by President Dankert and your colleagues to the effect that the first vote would determine the votes which follow. Consequently, we cannot accept the regulation and then vote against it in the motion for a resolution.

(Interruption by Mr Aigner)

Mr Aigner, it may well be possible for the Christian-Democrats to adopt different positions on the same matter. We have already decided that we are against the introduction of guarantee thresholds, how then can we now decide that we are against it?

(Mixed reactions)

You have just voted for it, how can you now vote against it? This kind of logic is totally unintelligible!

¹ See Annex

6. *Pigmeat*

IN THE CHAIR : MR NIKOLAOU

Vice-President

President. — The next item is a report (Doc. 1-1378/83) by Mr Tolman, on behalf of the Committee on Agriculture, on

the proposal from the Commission of the European Communities to the Council (Doc. 1-1406/83 — COM(83) 659 final) for a regulation amending Regulation (EEC) No 2759/75 on the common organization of the market in pigmeat.

Mr Tolman (PPE), rapporteur. — (NL) Mr President, this report was really drawn up because some time ago Mr Cottrell tabled a motion for a resolution on the crisis in the British pigmeat industry. In his motion he referred to two problems: firstly, the difficult position of this sector in the United Kingdom and, secondly, the fact that little or no intervention grain was available to the domestic industry although it was, of course, available at lower prices in countries outside the Community.

These have become general problems. The Members of the Commission said that the situation was similar in all the Member States, that each Member State was facing the same problem, coupled with stagnating sales.

Whenever the question of whether more guarantees should be provided arose, one thing all the discussions revealed was that the Commission was determined to ensure that the policy was not fundamentally changed. We have two forms of storage, public and private. My premise in the debate has always been that we must be extremely careful about calling for more guarantees for these sectors, which are not land-based. I am thinking in general of the poultrymeat sector and of the pigmeat sector, where the opportunities for rapid growth are particularly great. If fairly extensive guarantees are provided, the result will be considerable surpluses in a very short time. I have issued clear warnings in this respect, because we are aware of the opportunities for rapid growth in these sectors.

I am also grateful to the Commission for heeding my words. I must emphasize one point, and this concerns the Commission's proposal that intervention measures for public storage and public purchasing should be abolished. I agree with that. Measures which have not functioned, or have not needed to function, for a number of years — and the Commissioner will undoubtedly confirm that this is so — do not need to be perpetuated. They must be scrapped, because that will make matters clearer. I would therefore draw your attention to this point, which is undoubtedly an important aspect of the various proposals on which we shall shortly be voting.

Mr Eyraud (S). — (FR) Mr President, ladies and gentlemen, as the rapporteur has just said, we have spoken at length in committee about the pigmeat industry. If it is in crisis in the United Kingdom, the same is true throughout the Community. The result is a crisis in production, one which is linked only marginally with the soil, but is greatly dependent on imports of proteins into the Community.

I think therefore it would be helpful if the Commission could draw up a report on the common organization of the market in pigmeat. I would have been happier, for my part, if Parliament had had to adopt a position on the whole range of problems posed by the production, processing and marketing of pigmeat and not simply on the one issue of the British industry.

Common sense dictates that our Assembly accept the amendment that I have tabled to this effect. If this is not done, I feel nevertheless that account should be taken of the difficulties of producers and downstream industries throughout the Community.

The debate we have had on this end-of-session Friday morning, as happens all too often with agriculture, ought really to have been a wider one in the present context. Everyone knows that pigmeat producers are getting a lot of attention at the moment, particularly on the roads. Why is this? Quite simply because of the want of a proper organization of production which is becoming more and more anarchical in the absence of genuine planning, and is being directly hit by the agro-monetary measures, notably the monetary compensatory amounts.

An increase in production of just 2 or 3% brings down prices for the producers by 20 to 30%, causing understandable anger. This anger is responsible for the violent demonstrations with which we are familiar and which we firmly reject.

The producers have organized themselves into effective and much-needed groups. In France and in other Member States we have witnessed the appearance of parallel markets which have only worsened the crisis. Far more sensitive to price variations than the traditional markets, they swing much more quickly in one direction or the other, accentuating a price trend which has always been cyclical in pigmeat production.

Those, ladies and gentlemen, are the consequences of a serious affliction that is eating away at our Community, namely the free trade system. Let us hope we finally become clear about this.

(Applause)

Mr McCartin (PPE). — Mr President, many years ago in the country that I represent, this humble little animal used to be referred to as 'the gentleman who pays the rent' by the small tenant farmers. Today the 'gentleman', I am afraid, has become a beggar and is about to be evicted.

The pig industry in Ireland is in a very serious situation. It is probably unique in the Community in that it is a very new industry. While it has always existed, it has been established anew in the past 10 years on borrowed capital — and extremely well, I may say. A report carried out on behalf of the Commission, I believe, called the Pearce report, said that the Irish pig industry at farmgate level was the most efficient in the Community, probably in the world — and I think *Pig International* has recently said the same thing. If the most efficient industry in the world is in trouble, well, we have to acknowledge that the industry is in serious difficulty throughout Europe.

The problem we have, particularly in Ireland, is that this year's grain prices were higher than intervention prices by something like £10 per tonne — 15 units of account per tonne — and, of course, because the Republic of Ireland is self-sufficient in grains, but the island of Ireland is not, we have a situation in which feed prices in Ireland, because of the cost of transport from the main markets on the continent to Ireland, is a further £10 — i.e. 15 units of account — per tonne higher than in the rest of the Community. We have had higher interest rates and, because of the borrowing I referred to earlier, today the industry is losing per animal produced something like 15 units of account. It is a very serious situation and one wonders how long it can continue. In earlier years what would have happened, of course, is that the less-committed farmers would have ceased to produce and this would regulate the market. In Ireland today those who are involved in the industry cannot cease to produce because that would mean bankruptcy. The only hope for them is to continue at maximum production.

It is an extremely difficult situation, and while the report has underlined the problems in Britain, we have, I honestly think, more serious problems in Ireland and we do have regular importation of pigs from the United Kingdom — live pigs for slaughter in Ireland — which tends to depress the market. At the moment that trade is legal — very often in the past it was not legal. But it does tend to depress the market for pigs in Ireland.

Another problem is that in Britain you have the use of by-products in the form of skimmed-milk powder and the subsidy paid by the Commission for the disposal of the same seems to be sufficient to attract that. In Ireland it does not, and no by-products — with the sole exception of whey — are used in the production of pigmeat; skimmed milk certainly is not. I think that is a pity and the Commission should

look at the situation with a view to encouraging the disposal of some skimmed-milk powder. It would mean a saving of energy in the Community generally, it would mean a reduction in intervention stocks and it could alleviate the particular difficulties of the pig farmers.

Also last year we had some assistance by way of intervention grain that was made available to Ireland — north and south. I think at the moment the situation is so desperate that it does call for measures of this sort. We are speaking, in Ireland, of an industry that is losing in every sector, both at farm level and at factory level. This cannot continue. As is pointed out in the report, it is the direct result of the cereal policies of this Community. Because we are farther away from the market we have not succeeded in receiving the benefit of the cheap cereal substitutes that have been imported in the past, and today, if those are to be sought in Ireland, they are, in fact, as expensive as ordinary cereals. Anyway, I think it is a bad policy that introduces into this Community 17 million tonnes of those surpluses creating the very problems that we have and, at the same time, occasions further exports of the grains we produce to other world markets, and which are not available to farmers in severe difficulties within the Community.

I would ask the Commission to look carefully for some solution in the short term to the serious problems that we have because we are talking here about an entire industry and all the jobs that are involved, both at the processing level and also for farmers. If the industry loses a considerable amount of its production, the European consumer in the long term will pay for this in increased prices. We have seen this in the past. If the industry is once destroyed, it is the consumer in the end who will pay to rebuild it.

Mr President, I support most of the report. There are perhaps one or two paragraphs I will vote against because I think we should have taken a broader view of the problem rather than simply looking at it from the United Kingdom's point of view.

Mr Patterson (ED). — Mr President, I very rarely, if ever, speak in debates about agriculture. This is probably the first time for many years and it is an indication of the seriousness of the situation in the pig market that I am speaking today.

As Commissioner Dalsager knows, about 30 pig farmers in my constituency will be visiting him next week in order to explain to him precisely what the difficulties are. It seems to me the problems are exactly what economics would tell you. It is a precept in economics that distortions spread. What my colleague, Mr Cottrell, has pointed out is that the way we have organized our grain market and our pig markets inside the European Community results in a situation where we subsidize our competitors. He

Patterson

points out that Spanish producers can obtain intervention grain at very much lower prices than pig farmers within the Community. This, of course, is a distortion which is killing off the industry, not only in Ireland but in the United Kingdom as well. In Denmark too, there are great difficulties which Mr Tolman draws attention to.

Can I make very clear then that my group is not asking for special treatment for the United Kingdom. This is a problem which we recognize to be a Community problem, and if we did not know that, the speech by Mr McCartin would have pointed this out. This is a problem which sooner or later will affect all pig producers throughout the European Community.

Therefore, I have a number of questions to ask Commissioner Dalsager. First of all I would like to thank him for the limited provision of intervention grain which is now being made available. I would ask him — and I think Mr Tolman's report suggests this — that this must not be allowed to drift on so that it is too late again. Can we have a pledge that intervention grain will always be available on a systematic basis if such problems as have arisen now arise again in the future.

The second question I would like to ask is about liquid skimmed milk, which Mr McCartin drew attention to. What is the position here? Will Commissioner Dalsager also look at the provision of liquid skimmed milk, which is another element of feed.

Finally, could I echo what Mr McCartin said. When I studied economics, I learned something about what is called the pig cycle. This was, I think, invented by a German economist and showed that fluctuations in pig-meat prices got greater and greater unless something was done about them. What Mr McCartin says is quite true. If you allow the pig industry to decline and die because of distortions in the market, it is the consumer in the end who will pay by higher pig prices. You cannot re-start a whole industry if you allow it to decline.

So I ask Mr Dalsager to take this very seriously and to answer my questions. My group will broadly be supporting the report.

Mr Dalsager, Member of the Commission. — (DA) Mr President, the pigmeat market in the Community, as has been pointed out by a number of the preceding speakers, is passing through a grave crisis resulting from a sharp drop in prices of slaughtered pigs. The level of prices is now 9 % below that of January 1983. And this drop is due to a rise in production which the internal market can no longer absorb and to the fact that export possibilities are limited. The favourable market situation from mid-1981 to mid-1983 was an incentive in many Member States to a continued increase in production, and now we are faced with a certain production surplus. This crisis has hit the

producers even harder as a result of a rise in feed costs, which in turn is mainly due to the rise in the price of soya on the world market. The combination of falling pig prices and rising feed costs has had disastrous consequences for the profitability of pig farming in many of the Member States of the Community, probably all of them. And the situation has been exacerbated still further by health problems and the distortion they have introduced into the trade, all of which has increased the pessimism and nervousness of the farmers.

In this situation, the Commission has mobilized the instruments at its disposal for the management of the market. Protection against low-price imports from third countries has been extended by supplementary amounts added to the normal import duties. The export refund for slaughtered carcasses has been increased to the highest practicable level and, finally, support for private storage was introduced in mid-January this year.

Over and above these special arrangements for the pigmeat market, the Commission has also acted to influence production costs, as was noted among others by Mr Patterson, by making available 2 million tonnes of soft wheat for addition to feed mixtures at a reduced price and by extending the time limits for payment for quantities purchased from the intervention stores, measures which have contributed to a moderation of price quotations for feed grain.

The situation is thus already showing encouraging signs. Price quotations for pigmeat are stabilizing, as also prices of raw materials both in third countries and in the Community. We do not know as yet whether this is just a breathing space or whether the market has started to improve. In order to determine this, it is necessary to have the very latest production estimates, and these are not yet available. In this sector the market can only be brought into balance by adjusting supply to the relatively stable demand which exists. Balance is thus only possible through a certain cutback in production in the medium term. We are in agreement with the Tolman report in rejecting an increase in the guarantee in this sector.

The Commission is endeavouring to limit heavy fluctuations in prices in either direction by an anti-cyclical policy which, over the long term, has succeeded in maintaining a certain equilibrium on this market. We note the position taken in the report with regard to the Commission's proposal to abolish intervention in the form of public purchases. This instrument has proved unsuitable for the management of the pigmeat market and its abolition will in no way weaken the effect of the other anti-cyclical instruments available to the Commission. The abolition of the principle of an intervention price on the pigmeat market moreover will involve a change in the basis on which the monetary compensatory amounts are calcu-

Dalsager

lated, which would reduce them by half. We believe that this change may allay the fears of the pigmeat market producers, who feel somewhat unfairly treated under the present system. May I add, Mr President, that with regard to the various points in the proposal, the Commission does not agree with points 1, 7 and 9. May I finally say to Mr Patterson that I do not think it would be reasonable if I gave a promise here, at this late time on Friday morning, that intervention grain would be permanently available to pigmeat producers at low prices. I cannot of course enter into such a commitment without much better preparation of the matter, and we cannot discuss a permanent arrangement of that kind. I certainly cannot promise that the Commission will be prepared at any time to make resources available for such an undertaking. We look into any situation when it arises and evaluate it.

With regard to liquid skimmed milk, we have for many years made liquid skimmed milk available to pigmeat producers at reduced prices. We must also realize that this is an arrangement, which is not used to any great extent by farmers in quite a few of the Community Member States. This is perhaps difficult for us to understand. Those of us who come from the northernmost part of the Community have at all events noted that in some Member States the system for skimmed milk has been used for pigfeed over many years and continues to be used, and I think it would be advantageous for the milk market if we could get this system to operate more extensively, in other Member States too.

Mr Eyraud (S). — (FR) Mr President, I agree with what the Commissioner has just said. It would seem very reasonable to refer this report back to committee so that it may be discussed much more responsibly than is possible on a Friday morning, as I said just a moment ago.

Mr Curry (ED), chairman of the Committee on Agriculture. — Mr President, I must point out as chairman of the Committee on Agriculture that our agendas are absolutely full! We have almost 40 consultations to deal with, flowing from the reform of the CAP and prices. The last thing I wish, as chairman of the committee, to have to cope with is yet another report put on our plates.

Mr Tolman (PPE), rapporteur. — (NL) I must say that the Commissioner rather surprised me when he said that there is still a great deal to be discussed. I agree that some subjects need to be considered at great length, but I feel that this subject has received enough attention in recent months at the level at which it has had to be discussed. And while I naturally find it unfortunate that only about 50 Members are present rather than 400, they nevertheless reflect the views of Parliament.

We have discussed this matter very carefully. This report was approved by a substantial majority, Mr Pres-

ident, I might even say an impressive majority, of 23 for to 2 against. As experts, we know very well what we are talking about. Considering what the chairman of our Committee on Agriculture Mr Curry, has said, I believe that we must now simply take the final vote. If it then transpires — and this time will show, Mr President — that certain aspects need further elucidation, I agree there should be further discussion. But I feel that now, before the end of the marketing season, we do not need any fresh debates on this subject during this part-session. We must take the vote now, Mr President, of that I am convinced as rapporteur.

(Parliament rejected Mr Eyraud's request)

President. — The debate is closed.

*Vote*¹

Motion for a resolution: Paragraph 1 — After the rejection of Amendment No 13

Mr Eyraud (S). — (FR) Excuse me, Mr President, but you have just put to the vote Amendment No 13 which is my amendment for deletion whereas in actual fact colleagues thought they were voting on Amendment No 2 which you are putting to the vote now.

President. — It was quite clear. Your Amendment No 13 was rejected and now I am putting Amendment No 2 to the vote.

Mr Tolman, (PPE), rapporteur. — (NL) Mr President, I think there is a misunderstanding here. I agreed to Amendment No 2 by Mr Delatte. Whether you or I am to blame for the misunderstanding, it is not for me to say. I agreed to the Eyraud amendment, but I was, of course, opposed to deletion. I consider the Delatte amendment to paragraph 1 acceptable. That is the fact of the matter.

President. — It is quite clear, Amendment No 18 was rejected. It was a misunderstanding on my part.

Mr Prag (ED). — A naïve question, Mr President: if according to Mr Delatte's Amendment No 2 we are to delete the abbreviation 'UK' from paragraph 1, what would he suggest we do with the words 'in the' which come before it.

(Laughter)

Mr Tolman (PPE), rapporteur. — (NL) Mr President, this is simply a linguistic problem. We are very well aware what is at stake. I believe the Conservatives would like to see the words 'United Kingdom' retained in this report to emphasize that it is their problem. The other Members of Parliament are saying that it is a general problem and the words 'United Kingdom' must therefore be removed. A minor

¹ See Annex.

Tolman

linguistic flaw may well slip into an amendment, but the question is simply whether or not the words 'United Kingdom' should be included.

7. Dairy production

President. — The next item is the proposal for a regulation (Doc. 1-1330/83-II) from the Commission to the Council for a regulation on suspension of aids for investments in the field of dairy production.

Mr Dalsager, Member of the Commission. — (DA) Mr President, we already dealt with this question when we debated whether it should be included in the agenda, and it is perhaps because of that that no one feels inclined to say anything further. I strongly urge you to vote for the Commission's proposal in this sector, because we feel it is important to get this approval from Parliament.

Mr Eyraud (S). — (FR) If I remember rightly, this question arose in the Committee on Agriculture which decided to request referral to committee and also that there should not be an urgency vote on the subject.

Mr Curry (ED), chairman of the Committee on Agriculture. — Mr President, the situation is that, as Mr Eyraud says, the Committee on Agriculture voted against this procedure, but the House voted in favour of it. So the advice of the Committee on Agriculture was overruled by the House.

President. — The debate is closed.

Vote¹

8. Fisheries

President. — The next item is the continuation of the debate on the report (Doc. 1-1394/83) by Mr Battersby.²

Mr Lynge (S). — (DA) On a point of order, Mr President, I should like to propose that this matter be referred back to the committee, in view of the fact that it is not possible for it to be properly examined. On Monday and Tuesday the entire question of the Greenland fisheries will be debated in depth in the Council of Ministers on the basis of a document from the Commission, which we did not have available to us in the Fisheries Committee, and many of the elements contained in Mr Battersby's report have been examined in detail by the Commission, for example the question of 5-year or 10-year fishing rights for the Community in Greenland waters. But we have not had an opportunity to take a qualified position before the conclusion of the debate there on Monday and

Tuesday, so I propose that the matter be referred back to committee.

Mr Eyraud (S). — (FR) Given the Council meeting on Monday and Tuesday, I consider this proposal perfectly proper.

Mr Helms (PPE). — (DE) Mr President, ladies and gentlemen, Mr Lynge, I can well understand your possibly wanting to hold up this report — to put it quite bluntly — but I must point out that the European Parliament last year, in various committees and notably the Legal Affairs Committee, thoroughly considered Greenland's demand to pull out of the Community, going into all the details. The Fisheries and Agriculture Committees discussed every substantial issue and there is therefore no reason not to take and adopt the report today. It is a pity that the debate had to be interrupted last night. We ought to be through with the report today and later adopt the motion for a resolution. It is important that the resolution should be before the Council next Monday or Tuesday. This is of crucial importance for the deliberations in Council.

(Parliament rejected the request for referral)

President. — We can now proceed with the debate as such.

Mr Helms (PPE). — (DE) Mr President, the Commission has submitted to the Council a new text for consideration, and if I am to believe press reports the European Parliament has suffered a further deterioration in its relative position. We have to discuss this morning why in its new text the Commission has failed to consider Parliament's position, which we examined two weeks ago with the relevant Commissioner, Mr Contogeorgis, Mr Callaghan and the experts concerned, and stopped short of its first proposal. You know the positions that the European Parliament took up last July: we want a fair, lasting, binding and simultaneous treaty with Greenland.

This morning I only want to say very quickly that I am extremely sorry to have to observe that the Commission, in spite of the normally excellent relations of cooperation we enjoy with it in the Fisheries Committee — it has at least furnished us with good information — has not shown itself at all accommodating in this matter although recently in other documents it has affirmed again and again that it has adopted Parliament's positions. In the present case, however, it has not responded in even the smallest way to Parliament's principles and ideas. Furthermore I would ask you, Commissioner Dalsager, to put this motion for a resolution, which we shall be adopting today, to the competent commissioner this very day so that he is in a position to adjust his position thereto by Monday morning, failing which the European Parliament will ask itself what exactly is going on. We

¹ See Annex.

² See previous day's debates.

Helms

would then want clarification as to why you do not accept these basic positions which have been adopted with so large a majority and will be adopted again today. I would ask you to hand over this document to Mr Contogeorgis in person and urge him to meet our wishes.

The European Parliament wants clarity. Speaking on behalf of my group, I can say that we shall fully endorse this report as it now stands. But this would be in advance of the situation occasioned this week by the Commission.

If I might just comment on the text of the motion: in the last sentence on page 7, paragraph 1, the German text reads: '... for which a minimum period of 10 years and the opportunity of renewal appear necessary'. On 1 February the following text was decided upon in committee: '... for which a minimum period of 10 years and an undertaking of renewal is necessary'. We want a long-term Treaty, as the Legal Affairs Committee and Parliament decided last year. Mr President, I would like you to amend the German text and instruct your secretariat to check the text in the other languages so as to ensure that the wording of the paragraph does actually correspond to the committee's decision. I am asking this on behalf of the rapporteur, Mr Battersby.

A word about Mr Lyngé's arguments and observations in this Chamber last night. I should like to stress that we members of the Fisheries and Agriculture Committees have always been very fair and friendly in our dealings with one another. I was with Mr von Hassel in Greenland and greatly appreciate the hospitality of our hosts. It need hardly be said, Mr Lyngé, that we want a good, fair and lasting agreement which takes due account of Greenland's interests and is calculated in time to lead to a good partnership. Naturally we respect your specific demand and the decision of Greenland's citizens. But I do want to go into four points which you yourself raised.

As the motion states, the European Parliament wants Greenland to get a fair agreement, which is enduring and binding, which regulates all fishery questions and runs for at least 10 years. This you criticized last night, Mr Lyngé, as you also criticized the commitment to renew it.

The agreement to be concluded should stipulate that the reciprocal obligations and concessions including those that go with EEC status should be properly balanced, with the Greenlanders being granted substantial preference.

Further I believe on the basis of the common fisheries policy, as adopted on 25 January 1983, that the EEC fisheries in line with their traditional catches can be accorded an appropriate share of the increases in fish stocks in the waters of Greenland. We also feel that the balance of existing quotas off the waters of Greenland should be offered to both sides. I have discussed

this with your colleagues and with people from Greenland since this is something we must get quite right. If we do not use up our quota, it will go to the Greenlanders. If they do not use up theirs, then European deep sea fishermen will be able to get it.

A further point must at all costs be included in the Treaty and I would like to spell this out to the Commissioner: regarding cooperation, joint ventures, etc. it is our opinion that the Treaty should provide that all Member States should be bound by the same terms and enjoy precedence over countries outside the Community. And finally we accord Greenland EEC status.

Those are some of the main points. In talks with the Greenlanders and their representatives of home rule government we were well nigh at one, and I believe that in the coming week it will be possible to reach agreement. Certainly no later than early March. The clash last night and the various differences of opinion I would describe as wrangling but I am sure, Mr Lyngé, that it is possible to arrive at sensible agreements to the benefit of both partners, Greenland and the Community, and we all hope — and here I am speaking in the name of my group and many of my colleagues — that in the long term we shall be bound together in good partnership, enjoying a good relationship on an economic and neighbourly basis.

IN THE CHAIR: MR PFLIMLIN

Vice-President

President. — Mr Helms, the translations will be checked as you requested.

Mr Provan (ED). — Mr President, first may I apologize to the House on behalf of my colleague Mr Battersby, the rapporteur, who has unfortunately had to leave earlier this morning because it was the only aeroplane suitable for him today.

The Battersby report on the consequences for fisheries of Greenland leaving the Community is a very serious matter, and must be treated as such. The Greenlanders, as we all know, took a decision which many of us regretted, but I am sure that most people in the House would wish them well in the future they have to face. It is unfortunate for many of them, being the hunting race that they are, that they do not have complete access to the fish stocks that they need. However, they are making many demands on the European Community, and I think it is slightly unfortunate that the nearer the time that they want to leave the Community approaches, the greater the demands they push on us. That is something that I do not think we should tolerate. The more fish they require to send into the Community, the more fish they require to catch at sea, and the two are not really compatible. There is great pressure, as we all know,

Provan

on fish resources within the European Community, and if a small number of people in Greenland who certainly depend on fish for their livelihood — that is not disputed — try and take as much from the Community as they can and by whatever means they can, I think the Community should stand up for its own interests some of the time. I think the Community has offered a fair deal to Greenland. I might even go further than that and say that the Community has been too generous, but we shall be supporting this report and we wish the Greenlanders well.

Mr Dalsager, Member of the Commission. — (DA) Mr President, ladies and gentlemen, on 8 February the Commission presented proposals concerning future relations between Greenland and the Community in respect of fisheries, and these proposals are about to be sent to the Secretariat of Parliament and will be here within the next few days.

I might add here that Mr Helms has asked me to pass on a message to my colleague Mr Contogeorgis, and of course I shall do that, in fact today.

The Greenland authorities have expressed the wish to leave the Community with effect from 1 January 1985, and it is of course important if this wish is to be met that an agreement is entered into in the Council as soon as possible, so that the national parliaments get sufficient time for the ratification procedures. The Commission thinks that our new proposals contain a balanced solution which enables Greenland to develop its fishery activities and affords the Community the possibility of protecting their interests in Greenland waters, and in addition they fall to a large extent into line with the broad guidelines in Mr Battersby's report and motion for a resolution.

I should like to draw your attention to the main points in our proposals. It has been recognized that the Community's fishermen need a certain measure of security with regard to access to Greenland waters, so that they can undertake proper planning and investment for the future. It is therefore proposed that an outline agreement be concluded for a period of 10 years. If none of the parties cancels the agreement with prior notice before the expiry of the period of the agreement, it will be automatically extended for six years at a time. This outline agreement contains a number of general principles for our mutual relations in the fisheries sector. It contains provisions for the sharing out of fishing quotas among the fishermen of the Community. In return for this, the Community is to pay a financial compensation. The agreement also covers matters such as conservation measures, the consequences of an infringement of the agreement, the distribution of surpluses, etc.

It is also proposed that a protocol be appended to the agreement which will be valid for 5 years and in which precise fishing quotas are proposed. In the fixing of these quotas allowance has been made for

the present activity of Community fishermen in Greenland waters, and this provides a certain guarantee of stability in fishing activity, which is one of the basic objectives of the common fisheries policy. The Commission proposes an annual sum of 18.5 million ECU as financial compensation to Greenland for these quotas. The final sum will of course be fixed during the negotiations in the Council which are about to take place. It is further explicitly stated that Greenland will be guaranteed certain minimum quantities in the event of a sharp drop in fish stocks as a result of a biological catastrophe or whatever other occurrence might be contemplated. Only when the total quantity of permitted catches falls to a level which makes it impossible for Greenland to catch these minimum quantities will the Community quotas be reduced. When this protocol expires, new protocols will be signed for one or more years at a time.

With regard to the question of free access for Greenlandic fishery products to the Community markets, it should be pointed out that the Community will allow the import of Greenlandic fishery products onto the Community's markets free of customs duties or levies with equivalent effect and without quantitative restrictions, if the possibilities for access to the Greenlandic fishing zones offered are in conformity with the terms of the agreement. If special circumstances should arise, such as a suspension of the fishing arrangement, it is proposed that the Commission be empowered to take appropriate measures to suspend preferential access for Greenlandic fishery products to the Community's markets. The Commission's proposals can be amended by a qualified majority in the Council.

This is the content of the Commission's proposal in broad outline, Mr President. It is of course not possible to go into the individual proposals in every detail. We need an agreement which is adjusted to the interests of both parties. If the proposals are accepted, they will contribute to the safeguarding of the balance of the common fisheries policy at the same time as ensuring respect for Greenland's sovereign rights to its fishery resources. These proposals have already been discussed in the Permanent Representatives Committee and will, as has been pointed out, be debated by the Council of Ministers next Monday and Tuesday, 20-21 February. In December last year, the Council set itself the target of reaching final agreement on the Greenland question at the forthcoming Council meeting, and we very much hope that it will succeed in this.

The negotiations on this matter are thus well underway, and I can assure you that Parliament will be informed very soon. I will pass on Mr Helm's message to my colleagues in the Commission on the views of Parliament, as presented by him.

President. — The debate is closed.

Vote¹*Motion for a resolution: Recital M — Amendment No 1*

Mr Provan (ED), deputy rapporteur. — Mr President, on behalf of the rapporteur, Mr Battersby, may I say that he would be against all the amendments. That might save you referring to the rapporteur all the time. With regard to the second amendment, if Mr Lyngé could make it an addition, the rapporteur would be happy to accept it.

Mr Lyngé (S). — (DA) Mr President, I would just like to comment on something Mr Provan said on behalf of Mr Battersby, who is not present, namely that Mr Battersby was against all my amendments, but could accept one of them if I altered it according to whether it was to replace something or be an addition. That is not what Mr Battersby said to me repeatedly both yesterday evening and this morning before he left. He said to me then that he would go along with Amendment No 3 concerning point 1, II in the motion for a resolution. There is conflicting information on Mr Battersby's intentions with regard to my amendments. I of course stick to what Mr Battersby said to me several times both yesterday and today, namely that he supports Amendment No 3. It was a message to Mr Provan.

Mr Provan (ED), deputy rapporteur. — I would ask Mr Lyngé if he is happy to have it as an addition.

Mr Lyngé (S). — (FR) I do not accept the change.

9. Discharge for 1981

President. — The next item is the report (Doc. 1-1333/83) by Mr Schön, on behalf of the Committee on Budgetary Control on the action taken on the observations of the European Parliament accompanying the discharge in respect of the 1981 financial year.

Mr Konrad Schön (PPE), rapporteur. — (DE) Mr President, ladies and gentlemen, on 18 May 1983 the European Parliament gave the Commission a discharge in respect of the implementation of the 1981 budget. At that time we made the point very forcefully in the debate that, in addition to its budgetary powers and its power of supervising the budget, the right to grant a discharge to the European Community institutions is a very important political competence of this House. We also made it clear that control of the implementation of the budget is something that is political in nature and thus more

than a matter of merely checking out a balance sheet. This control must serve the purpose of seeing to it, especially *vis-à-vis* the Commission, that Parliament's political will is put into effect.

Today we must examine whether the measures taken by the Commission consequent on the discharge decisions are, in fact, calculated to put into practice the political will of Parliament, since this is the only way in which parliamentary control can be effective. With this end in view the Commission did submit to Parliament by the agreed deadline of 30 September 1983 a written report, which was discussed on several occasions in the Committee on Budgetary Control.

Already during the discharge procedure for 1981 there were some points that seemed to the Committee on Budgetary Control so important that it awaited a positive reply from the Commission on them before it proposed to Parliament that a discharge be granted. They included progress in implementing Parliament's amendments to the budget, the transfer of savings in Community resources to the next budgetary year, instead of giving them back to the Member States, a genuine effort to combat frauds, a simplification and speeding up of food aid, the budgetization of the Sixth European Development Fund and the implementation of a genuine Community research policy.

The Commission's first reaction was positive, but the improvements demanded by Parliament were not realized in all the areas referred to. This was particularly true of the implementation of Parliament's amendments to the budget, a matter on which Parliament was to sit down together with the Commission to work out ways in which the latter can put to use the budgetary appropriations, acting, of course, on its own responsibility. Preparatory surveys were to be made in the Committee on Budgets and the Committee on Budgetary Control.

At this point it must be stressed that for some time now Parliament has been exerting pressure on the Commission to explain clearly how seriously it is taking the matter of implementing Parliament's amendments to the budget. However, the joint statement of 30 June 1982, instead of detailing further progress in the direction desired by Parliament, only succeeded in holding up matters even further.

Efforts must also be made to bring about improvements in many other areas, only a few of which can be mentioned here but all of which are of great concern to us. Shortcomings in the Member States' statistical systems, insofar as they affect VAT and thus the Community's own resources, must be removed not only in respect of expenditures but also in respect of revenues, otherwise you can have no responsible budgetary control. Furthermore, the difficult legal situation means that there are very great problems at the present time in informing Parliament about cases of

¹ See Annex.

Schön

fraud and taking the necessary measures to enforce Community legislation as effectively and speedily as possible.

Another important point is the implementation of food aid policy, which still gives cause for concern. In this connection the Committee on Budgetary Control recommends that there should be a wide-ranging discussion of the still unsolved problems in this area and that proposals for solutions should be worked out, so that an end can be put once and for all to the unsatisfactory way in which food-aid policy is being implemented. This is something that has drastic consequences, not only from the humanitarian and financial point of view but also with regard to the Community's image in the world. The Commission — and we readily acknowledge this — has expressed its willingness to submit a report by the end of March 1984 on this matter and also on the other points raised in paragraph 6 of the motion for a resolution, after which further steps can then be taken.

Already at this stage, however, I should like to point out that in the discharge procedure for 1982 issues have once again to be dealt with that have already cropped up in previous discharge procedures. It is obvious that this obdurate persistence in allowing serious defects to remain in the implementation of budgets and this lack of respect — I am putting this very bluntly, Commissioner — for Parliament's political will cannot fail to have some influence on our appreciation of the Commission's overall performance.

The Committee on Budgetary Control is presently working out a proposal within the framework of the discharge procedure for the financial year 1982 and will not fail to press on with this debate and to suggest suitable measures to have our will as a Parliament put into effect with regard to the Commission's implementation of the budget.

Mr Edward Kellett-Bowman (ED). — Mr President, in support of Mr Schön and his report, I would remind the Commission that under the Treaty amendments of the mid-1970s, power to grant discharge was given to Parliament, and Parliament acts on the recommendation of the Committee on Budgetary Control. Discharge, I think, should come into Community practice with a capital 'D' because it is one of the powers which is given to the Parliament by Treaty, and exercised by Parliament.

It's quasi-legislative in its role of dealing with discharge, because although discharge is not conditional, it is given subject to undertakings which have been given to the Committee on Budgetary Control by the Commission. Before we give discharge for a year, we give an audit on the book-keeping side — a value for money audit — but also, as Mr Schön has just said, a political audit. We check that Parliament's

will, as expressed in the budget for the relevant period, has been followed through. The Budgetary Control Committee is going to press this constitutional development which improves Parliament's position *vis-à-vis* the other institutions.

But discharge is not the last word. The Commission is obliged, under the regulations, to report back to Parliament, and it is upon that report that Mr Schön is putting his report before Parliament today. I would stress to the Commission that if Parliament is not happy with the undertakings which are given as a result of discharge by the Commission, we are in a position to influence the next discharge with a capital 'D' but also we intend to influence the Committee on Budgets and hence Parliament when it comes to the next budget. These are powers of Parliament which we must use, and will use. We do not lightly place paragraphs against the discharge decision, but when we do, we mean on behalf of Parliament, on behalf of the tax-payers of the Community, to see that Parliament's will is carried through.

It is without any hesitation that I support Mr Schön's excellent report and commend it to the House.

Mr Aigner, chairman of the Committee on Budgetary Control. — (DE) Mr President, I should like to begin by addressing a request to you. The two previous speakers have explained the importance of the discharge debate and of the discussion on the follow-up measures. Do you not think that it would be a good thing, both for Parliament and for public opinion, if the Bureau did not put a debate of this kind at the very end of the part-session week? In this connection I would point out that there can be no doubt that the positions of Parliament and the Commission have come closer together, even if we are not perfectly satisfied, and that the two institutions have been working together successfully. I should like to ask you therefore to convey this request of mine to the Bureau.

The members of the Committee on Budgetary Control, who are mostly also members of the Committee on Budgets, have a particularly heavy workload. We have the 'permanent rapporteur' system, which means that a member of our committee must permanently follow up a matter for which he has been made responsible. His workload is quite different therefore to that of many other colleagues. I think that the Bureau should take this into account and should take measures accordingly.

I come now to Mr Schön's report. I have already said that we, the Commission and Parliament, have moved closer to each other. We are still greatly concerned, however, that in spite of all the good will which is present there has been no retreat from the battle lines that had been drawn up. I have already said that we must bring such pressure to bear on the Commission, in this struggle between Parliament and the Council,

Aigner

that it is more afraid of conflict with us than of conflict with the Council. At the present time the Commission is more afraid of coming into conflict with the Council than it is of coming into conflict with us. We must therefore consider how we can force the Commission to move further over in the direction of Parliament.

I should be very grateful to you, Commissioner, if you could put yourself at the disposal of our committee at its next or second next meeting to discuss certain points that I shall now outline very briefly. They all concern the agricultural policy.

For years we have been asking for an accurate inventory of the stocks in the intervention depots. For years we have been asking for a clear definition of the legal position and of the financial implications. If it is true that by now reserve stocks have depreciated on average by about 70% of the purchase price, then surely the Commission must finally embark upon a dialogue with us as to what is to be done with these reserves. I am sick and tired of going on about this, but your turning down of the Christmas butter project cost the taxpayer at least 100 million ECU — and probably even more than that, perhaps as much as double that sum.

When the 1982 discharge comes up, we shall throw that on the table in your faces, and I do not know how Parliament will react when it realizes that the Commission has twice ignored Parliament's will expressed by a large majority and thereby caused such a great loss to the European taxpayer. Parliament must then make up its mind as to what it is going to do.

Neither has the Commission put any proposals before us today. For months now I have been trying to find out from the officials and from the Commissioners what exactly their thinking is with regard to the value of these stocks. After all they cannot simply wait until the entire purchase price has been whittled away to nothing. That would mean thousands of millions lost! The Commission must tell the Council where its policies are leading. We know that the Commission is not solely to blame. The major part of the blame falls on the shoulders of the Council. However, in a situation like this, if I were the Commissioner, I would have to tell the citizens of Europe that I could no longer be responsible for this course of action. I would simply have to take my courage in my hands and put my job on the line. I would also have to find the courage not to embark on any more futile compromises with the Council but to say to it: this is what I want, and I am prepared to quit if you cannot finally do something about it, if you cannot finally come up with some solution. We simply cannot put up for ever with a situation in which we just go muddling on and cause hundreds of millions to be lost.

I should like to put a suggestion to the Commission. Perhaps it will be swept under the carpet once again

by your Director-General. Why do you not launch a fresh butter programme? In the case of the present three programmes there is already a loss of value to the tune of 70% of the purchase price. You would have to sell therefore at 30% of the purchase price. Why then can you not launch a creamery butter programme for the consumer in the Community's internal market at a price of 50% of the purchase price, under the motto: the main thing is that I actually get the butter to the citizens, and whoever buys it and realizes once again what a good thing butter is will possibly begin to eat more butter! However, that nothing whatever happens and that we simply let everything coast along, that is something up with which we can no longer put!

The reason that this entire unsatisfactory situation has developed in this way is simply that the management committees have acquired too great an influence over the decision-making structure of the Community. We have been asking for years that they should be kept in check. They need to have more accurate information about what is happening in the market. For years we have been asking that electronic data processing equipment should be used. When the Commissioner tells me today that he does not even know what storage capacity there is, how much is actually being stored in it, what the pattern is . . . , well, surely that is the least that a Commissioner who is administering finances must know about these things! We are simply asking that greater efforts should be made to solve this problem.

I will conclude by repeating my request to you, Mr Dalsager. Please be with us at the next or second next meeting of the Committee on Budgetary Control so that we can have a thorough discussion of all these problems!

President. — I shall submit to the Bureau the two matters you raised at the beginning of your speech.

Mr Dalsager, Member of the Commission. — (DA) Mr President, I should like first to say to Mr Aigner that, every single time Mr Aigner or the Committee on Budgetary Control has asked me to do so, I have made my appearance in the Committee and have discussed the problems Mr Aigner refers to here. As far as I am aware, it has already been agreed that I should take part in the next meeting of the Committee — in one or two weeks, I think — but we are not to be discussing the problems Mr Aigner has raised here, as far as I know. I would be grateful if Mr Aigner would explain to me what problems the Committee wishes to discuss at that meeting, as I would naturally like to prepare myself accordingly.

Let me now turn to the Schön report. I thank the rapporteur, Mr Schön, and the Committee on Budgetary Control for the valuable work which has been done on action taken in response to the various

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requests presented by Parliament in connection with its Decision of 18 May 1983 granting discharge to the Commission in respect of the implementation of the 1981 budget. In accordance with Parliament's request, the Commission in September — that was about 3 working months after the discharge decision — prepared a provisional report on action taken in respect of Parliament's requests. The final report will be presented in accordance with the Financial Regulation in June this year, together with the accounts for 1983. The rapporteur and the Committee on Budgetary Control have found the provisional report satisfactory to such an extent that there is no need for a new report on the questions referred to in point 4 of the motion for a resolution. I can confirm in that connection that the Commission will continue its work in this area in accordance with the provisional report of September last year.

In certain other areas, which are mentioned in point 6 of the motion for a resolution, the Commission is pursuing its work, which should enable it to present further information. The Commission has been asked to present this information in a supplementary report by March at the latest and, on behalf of the Commission, I can undertake to have it done in that time. The Commission has already given instructions to its staff to follow the guidelines staked out by Parliament to the furthest extent possible.

Mr President, I would also like to comment on point 2 in the motion for a resolution. The Commission cannot believe that Parliament wishes in the context of this debate to analyse the important question of the legal basis, which has resulted from the Joint Declaration of 30 June 1982. The first consequences of this Declaration can from a logical point of view only relate to 1983. I am glad that Mr Schön recognizes that the Commission has made efforts to ensure that this Declaration is correctly acted upon. Thus the Commission, in the few cases in which it has been necessary, has continued to present proposals for a decision by the Council, most recently in January. On one or two important questions, such as the special programme to combat hunger in the world — i.e. Article 958 in the budget — involving 50 million ECU, the Council has adopted the regulation in question, and its implementation has begun.

It is true, however, that there have been difficulties in the Council in certain areas. The Commission informed Parliament as far back as June 1983 of its initiatives with the Council. It gave further information during the debate on the Notenboom question in October and again in the quarterly reports on the implementation of the budget. The Commission will continue to endeavour to secure the best possible improvements on the basis of the Joint Declaration. It will be possible for Parliament to analyse the results when the implementation of the 1983 budget is on the agenda.

The questions raised by Mr Schön's report, concern the Community budget, which is a continuing process. The Commission's supplementary report which, according to the plan, will be presented in March will make it possible for Parliament to continue the discussion on action taken following the Decision on Discharge for 1981, and I hope that the work will be completed before the June elections.

President. — The debate is closed.

*Votes¹*10. *Customs debt (security)*

President. — The next item is the report (Doc. 1-1356/83) by Mr Tyrrell, on behalf of the Legal Affairs Committee,

on the proposal from the Commission of the European Communities to the Council (Doc. 1-1213/82 — COM(82) 861 final) for a regulation on the security to be given to ensure payment of a customs debt.

Mr Tyrrell (ED), rapporteur. — Mr President, may I congratulate those colleagues who have the stamina to be here at this stage of the week.

This proposal is a small but important step which recognizes that we have not yet achieved a full customs union. It aims to harmonize the conditions under which security for the payment of a customs debt is given, the computation of the amount of the security and the use to which the security may be put by the competent authorities.

At present, Member States have different rules on this so that a trader could be subject to different rules as regards security for customs debts with some Member States' rules being more onerous than others. Obviously, in the creation of a common market, we would want to see that all traders are treated alike in all Member States.

One significant provision in the proposal requires that the security may cover only the amount of the debt and not this amount plus that of any pecuniary penalties which might become payable as a result of infringement.

So I am in broad agreement with the proposal. However, the Legal Affairs Committee has put down five amendments, all of which we consider would add to the effectiveness of the regulation.

First of all, Amendment No 1 is a definition amendment which, I believe, the Commission is happy to accept, so I will say no more about it.

Amendment No 2 aims to raise the amount of the customs debt below which the requirement for provision of security may be waived from 100 ECU to 500 ECU. This was the opinion of the Committee on

¹ See Annex.

Tyrrell

Economic and Monetary Affairs and the Legal Affairs Committee was happy to accept that opinion. In passing, may I say that we found the opinion of the Committee on Economic and Monetary Affairs, drawn up by Mr Rogalla, of very great value to our deliberations in the Legal Affairs Committee on this occasion.

Amendment No 3 provides a slight but important extension of the right of the competent authorities to ask for written undertaking from the person by whom the customs debt has been or may be incurred when customs rules provide that the requirement of security is optional. The Commissioner's text would permit the authorities to ask for written undertaking only when the security is not required, but we believe that this right should be extended to situations where it is required. It should be remembered that this is all in the context of customs rules which provide that the requirement of security is optional. Such rules will, therefore, by their very nature concern low risk cases where written undertaking should provide adequate security.

Amendment No 4 attempts to bring Article 9 of the proposal into line with the provisions of the Treaty — a surprising statement but it was necessary to do so. The Treaty provisions concerning the freedom to provide services, by providing that the guarantor of the customs debt may have his normal residence or establishment anywhere in the Community whereas the Commission's text requires him to have his normal residence or establishment in the Member State in which the security is given. This is obviously a restriction of the rights established in Articles 59 to 66 of the Treaty and, again, we are obliged to the Committee on Economic and Monetary Affairs for their valuable amendment on that subject which we in the Legal Affairs Committee adopted.

Finally, Amendment No 5. This was actually put down by the Commission itself following criticism of the present draft in the the Legal Affairs Committee. This is now a compromise amendment. It is one which the committee was happy to accept in order to avoid the use of an extraordinarily loose phrase used by the Commission which, if adopted, would have given *carte blanche* to customs authorities to do whatever they liked notwithstanding the fact that there was a directive on the way which would give them directions on how they ought to do it.

Mr President, as I said, it is a small but important step. I thought it necessary to explain our amendments in the hope that they will be read and studied by the Council.

Mr Prout (ED). — Mr President, my group supports Mr Tyrrell's report. We consider that draft regulation to be a significant measure going some way towards ensuring the equal treatment of traders within the Community. I would like briefly to explain the four amendments which we have tabled.

Amendment No 8 to Article 3(1) of the draft regulation differs from the committee's amendment to the same article. It provides that the competent authority shall disregard, in deciding whether or not to ask for security, the place or places of business of the trader or his guarantor. To achieve a common market, traders and guarantors should receive the same treatment all over the Community, and not be penalized by customs authorities simply because they come from a different Member State. Were it otherwise, indeed, discrimination on grounds of nationality might occur. If, moreover, the authority decides that it wants security, we ask that the trader or guarantor may require reasons in writing for that decision. The third sentence of the amendment extends the right of the competent authority to ask for a written undertaking in circumstances where the customs rules provide that the requirement of security is optional and the authority decides that it wants some security, but considers that a written undertaking will be sufficient.

Amendment No 7 deals with written undertakings. Such undertakings are currently accepted in lieu of security by at least three Member States — the United Kingdom, Denmark and Ireland. Our amendment allows for flexibility in providing that Member States may accept written undertakings and in catering for what may be termed low-risk cases, where there is little or no likelihood of default. I would point out to the Commission that the concept of written undertakings is not an alien one, as it already features in Article 3(1) of the regulation.

Amendment No 9 differs from the committee amendment to Article 9(1) in stipulating that the guarantor of a customs debt is to be approved by the competent authority of the Member State in which he resides or is established rather than the Member State in which the guarantee is provided. We believe that the authorities of the Member State in which the guarantor lives or is established are in a far better position to investigate his creditworthiness than those of the Member State in which the security is given. Indeed, he would probably be unknown to the authorities of a Member State other than his own, and his creditworthiness would have to be investigated, with all the resulting delays that that would entail. How much better to obtain from his own Member State a document attesting to his good standing and valid throughout the Community!

Finally, Amendment No 6 to the recitals is complementary to Amendments Nos 7 and 5, and should be voted on last.

Mr Dalsager, Member of the Commission. — (DA) Mr President, the Commission notes with satisfaction that the committees of Parliament which examined the proposal — i.e. the Legal Affairs Committee and the Committee on Economic and Monetary Affairs — fully approve of the aims of the proposal, even if they

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have proposed certain amendments. The Commission is ready to accept Amendments Nos 1, 2, 4 and 5, since it considers that these proposals are an improvement on our own proposals. On the other hand, it cannot accept Amendment No 3, which seeks to make it possible for security to be accepted in the form of a written undertaking from the person liable for payment of customs duty setting out the obligations which this person is legally obliged to fulfil.

The Commission cannot accept Amendments Nos 6, 7, 8 and 9, tabled by Mr Prout.

President. — The debate is closed.

Vote ¹

11. *Adjournment of the session*

President. — I declare adjourned the session of the European Parliament. ²

(The sitting was closed at 1 p.m.)

¹ See Annex.

² Declarations entered in the register (Article 49 of the Rules of Procedure) — Forwarding of resolutions adopted during the sitting — Deadline for tabling amendments — Dates of next part-session : see Minutes.

ANNEX

Votes

The Annex indicates rapporteurs' opinions on amendments and reproduces the texts of explanations of votes. For further details of voting, the reader is referred to the Minutes.

PRICE REPORT (Doc. 1-1342/83 'OFFICE SUPPLIES'): ADOPTED

* * *

EDWARD KELLETT-BOWMAN REPORT (Doc. 1-1334/83 'PUBLISHING'): ADOPTED

* * *

BOMBARD REPORT (Doc. 1-1349/83 'EUROPEAN RELIEF PROGRAMME'): ADOPTED

* * *

MUNTINGH REPORT (Doc. 1-1401/83 'MONK SEALS'): ADOPTED

* * *

CERAVOLO REPORT (Doc. 1-1400/83 'THE ENVIRONMENT'): ADOPTED

* * *

RHYS WILLIAMS REPORT (Doc. 1-1266/83 'EUROPEAN CAPITAL MARKET'): ADOPTED

* * *

BEAZLEY REPORT (Doc. 1-1108/83 'PETROCHEMICAL INDUSTRY'): ADOPTED

* * *

The rapporteur spoke :

- IN FAVOUR of Amendments Nos 1, 3, 9, 10 and 13 ;
- AGAINST Amendments Nos 2, 4 to 6, 8, 11, 12 and 14.

Explanations of vote

Mr Damette (COM), in writing. — (FR) While pretending to tackle the very real problem of supplies, modernization and competition in the European petrochemical industry, this report advocates drastic reductions in capacity.

The result can only be the growth of foreign domination and the weakening of our domestic markets. Such a policy of abandonment stems from an ultra-liberal attitude which is the cloak for an attack on the many national undertakings in this sector.

However, we believe for our part that petrochemicals are a strategic industry since it allows the development of an entire downstream sector whose future is linked to the development of strong national markets.

Within this framework an improvement of production costs may be effective :

- first, by modernizing vapocrackers to save energy and by valorizing by-products,
- second, by improving the qualifications of workers,
- third, by concluding with the producer countries cooperation agreements dealing with more than just supplies.

Chemicals are one of the most modern and competitive sectors of European industry ; it must not have the grass cut from under its feet but must be integrated in a European effort to relaunch growth and employment.

This is obviously not the aim of the present report and therefore we shall be voting against it.

Mr Kyrkos (COM), in writing. — (GR) We shall vote against the Beazley report because, although it demonstrates the importance of the petrochemical industry in the Community and describes the situation in the Member States, it does not refer at all to the industry's potential role in countries with a lower level of industrial development, such as Greece. The tremendous growth of the petrochemical industry in the developed countries of the Community must not serve to delay, postpone or obstruct the growth of similar industries in poorer countries, which would thus be able to meet the requirements of their domestic markets and lay the foundations of their much-needed industrial infrastructure.

We consider unacceptable the request that the Member States should cease to support the petrochemical industry when no common European industrial policy has yet been framed.

Believing, as we do, that the growth of the petrochemical industry is essential to the development of research and the industrialization process in countries such as Greece, we urge the Commission to devise a common policy for the Community which will also safeguard the interests of the less-developed countries.

Mrs Theobald-Paoli (S), in writing. — (FR) For the French Socialists the Beazley report has only one major virtue : it analyses very correctly the present state of European petrochemicals, notably the consequences of the past oil crises and the advent of a petrochemical industry in producer countries that have control of their raw materials prices.

On the other hand, we are strongly opposed to the attitude of near resignation over a transfer of production from the major petrochemical intermediaries to the producer countries in the name of a so-called 'law of the market' : this would plunge our countries into a serious state of dependency.

Disregarding helpful restructuring operations such as those carried out in France since 1982 by way of nationalization and mergers, the report focuses on reduction of capacity at European level under the restrictive supervision of the Commission.

Omitting to put in first place the importance of synergy in national efforts, it in fact condemns any intervention by Member States to organize a much-needed reorganization of the petrochemical industry.

Such an attitude is unacceptable and the French Socialists will not vote for the resolution as presented by its rapporteur.

* * *

LIGIOS REPORT (Doc. 1-1374/83 'TAX ON WINE'): HELDOVER UNTIL NEXT SITTING

Before the quorum was established the rapporteur spoke :

— AGAINST Amendments Nos 1 and 19.

* * *

BADUEL GLORIOSO REPORT (Doc. 1-1337/83 'EEC-CYPRUS'): ADOPTED

The rapporteur spoke :

— AGAINST Amendment Nos 1 to 3.

Explanations of vote

Mr Spencer (ED). — During last night's debate I raised on behalf of my group a technical question concerning the matters we have just voted on in paragraph 2, namely, whether or not the Commission was in a position to provide aid under the protocol to both communities. I received a reply of unbelievable ambiguity but, nevertheless, I feel I was right to ask the question. As I made clear last night, some of us feel that our Greek colleagues have allowed their enthusiasm for the situation to lead them into a position where they might be doing something which implies *de facto* recognition of the North.

I made that point last night. I think it was right to do so. However, having had an obscure answer from the Commission and in the belief that in this House it is necessary at times to trust one's colleagues and to work on a basis of mutual trust, I shall advise my group to vote for this resolution as a whole in the hope that it will convince Mr Ligios that in this House it is necessary to cooperate.

Mr Kallias (PPE), in writing. — (GR) I shall vote for the resolution contained in the Baduel Glorioso report.

Both the report and the rapporteur's speech were excellent. The argumentation was very sound. The amendments, all of which I disapprove, were fortunately rejected.

Mr Del Duca was mistaken in stating that the Group of the European People's Party was in favour of the amendments. That is why all, or nearly all, our colleagues voted against the three amendments, which were rejected.

I wish to stress that the Republic of Cyprus has never before been as close to the Community as it is now.

The financial protocol is a small gesture of affection for the long-suffering Republic of Cyprus.

I hope the Republic of Cyprus will also receive political support to enable it to free itself as soon as possible from the Turkish military occupation of 40% of its territory and recover its full independence and unity, and to enable the 200 000 refugees, victims of the Turkish occupation, to return to their homes.

SCAMARONI REPORT (Doc. 1-1332/83 'FUEL RATIONING'): ADOPTED

* * *

COUSTÉ REPORT (Doc. 1-1344/83 'HUMANITARIAN AID TO VIETNAM'): ADOPTED

The rapporteur left all the amendments to the judgment of the House.

Explanations of vote

Mr Vankerkhoven (PPE). — (FR) It was in 1975, in violation of the most solemn agreements, that Vietnamese troops invaded the South and caused the tragic exodus. Today, it is in total disregard of the right of peoples to self-determination that the Vietnamese occupation force is maintaining its presence in Laos and Kampuchea and seeking to Vietnamize those countries through transfers of population.

In these circumstances, to approve a resumption of Community aid to Vietnam would be to act as an accomplice in its totalitarian and imperialistic policy. The only aid we can consider tomorrow consists in support, not for the Hanoi authorities but for the programme to help children and nursing mothers. But first solid guarantees are needed as to the means of distribution and its supervision. As presented today the report before us makes certain demands. It requires that all emergency aid be channelled through the NGOs under the supervision of bodies recognized by the Community. It points out that malnutrition among Vietnamese children could be banished if Hanoi put an end to its costly invasion of Kampuchea and Laos. And it shares our concern to foster the reunion of families and our desire to demand from the Hanoi authorities the release of political dissidents who are still being held.

It is these requirements alone that enable me to approve, albeit cautiously this report.

Mr Wurtz (COM). — (FR) My friend, Maurice Martin, made an intervention yesterday stating what the Communist and Allies Group thought of the report by Mr Cousté. He noted the latest proposals made by the Vietnamese, Laotian and Kampuchean Governments for a gradual withdrawal of the Vietnamese troops from Kampuchea with a view to a political settlement of the region's problems.

But the amendments our Parliament have just adopted negate those proposals. In particular, Amendment No 12 restores political conditionality to humanitarian aid for Vietnam. This is an extremely degrading attitude. What are we to make of the show of concern for observance of human rights displayed by the authors of this amendment? They were less eager to defend those rights when the defoliants and the chemical war were destroying Vietnam, their argument being that it was refusing to accept American domination. At a time when it is generally recognized that Vietnam is making effective use of the aid granted to it and when the Commission is reaffirming that humanitarian aid must not be used as a political weapon, I must express, on behalf of all the members of the Communist and Allies Group, our revulsion and indignation over what has just taken place in our Chamber.

We cannot take part in the vote because the report has been completely distorted.

Mrs Theobald-Paoli (S), in writing. — (FR) Humanitarian aid for the poorest countries of the earth is a duty incumbent on the richer countries, on the Community.

The resolution on the granting of humanitarian aid to Vietnam, submitted by the Committee on Development, proposes Community support for the programmes of the UN's specialist agencies to assist nursing mothers and the nutrition of children in Vietnam. French Socialists fully endorse this objective.

However, after the amendments tabled by the Right, the text is now encumbered with totally superfluous considerations on Vietnamese policy. Whatever we think of the situation in Indochina and our condemnation of the occupation of Kampuchea, humanitarian aid for children suffering from malnutrition cannot be used as a political weapon.

The Community has always granted humanitarian aid wherever it is necessary without any other motive.

All it requires is the certainty that the aid will actually be distributed to its intended recipients. This it would seem justified in having.

Therefore, rejecting any other motivation or ulterior motives, the French Socialists approve all aid from Europe aimed at combating malnutrition among Vietnamese children.

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PONIATOWSKI REPORT (Doc. 1-1393/83 'APPORTIONMENT OF CEREALS'): ADOPTED

* * *

BOMBARD REPORT (Doc. 1-1137/83 'USE OF SEWAGE SLUDGE IN AGRICULTURE'): ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendments Nos 1 to 3, 5 to 7, 10 to 25 ;
- AGAINST Amendments Nos 8, 26, 28 to 31.

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PRAG REPORT (Doc. 1-1357/83 'VOCATIONAL TRAINING'): ADOPTED

* * *

DALSASS REPORT (Doc. 1-1371/83 'SPARKLING WINES'): ADOPTED

* * *

JÜRGENS REPORT (Doc. 1-1372/83 'OILS AND FATS'): ADOPTED

* * *

LIGIOS REPORT (Doc. 1-1373/83 'CEREALS'): ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendment No 1 ;
- AGAINST Amendments Nos 2, 4 to 6.

* * *

TOLMAN REPORT (Doc. 1-1373/83 'PIGMEAT'): ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendments Nos 1 to 4 and 11 ;
- AGAINST Amendments Nos 6 to 10, 13 to 19.

Explanation of vote

Mr Provan (ED). — I would like, on behalf of my group, to thank Mr Tolman for the report that he has presented to the House this morning. The original resolution was tabled by Mr Cottrell and highlighted the particular problem of the UK pig industry, I myself am extremely happy, as I am sure Mr Tolman will be, that it has been expanded slightly to include other pig producers within the Community. My group thanks him for the work that he has done on this report.

(Applause)

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**COMMISSION PROPOSAL (Doc. 1-1330/83-II 'DAIRY PRODUCTION
REGULATION') : APPROVED**

* * *

BATTERSBY REPORT (Doc. 1-1394/83 'FISHERIES') : ADOPTED

Mr Provan, deputizing for the rapporteur, spoke :

— AGAINST all the amendments.

Explanation of vote

Mr Lynge (S). — *(DA)* I of course vote against this motion for a resolution as it now stands. This is mainly because of point 1, XI, the last section in the resolution, since Parliament has now decided that Parliament should be consulted scrupulously at all stages in the fishing negotiations and other negotiations with Greenland, and that the Commission's proposals should be presented to Parliament for an opinion in good time before the expected time of signature. But the time-table, ladies and gentlemen, is such that the final negotiations in the Council will take place on Monday and Tuesday and the signature 14 days after that. How on earth can what has been adopted here be adhered to without completely wrecking the time-table, without preventing Greenland's exit from the Community on 1 January 1985? It is necessary to stick to the time-table for, if Parliament places procedural obstacles in Greenland's way, a potentially explosive negotiating situation will result. The consequences of this will be neither to Greenland's advantage nor in the Community's interests. Besides, there is simply no authority under the existing fisheries policy for Parliament to be consulted at every stage in fisheries negotiations. That does not happen under the present Community fisheries policy. For that reason as well, I vote against.

**KONRAD SCHÖN REPORT (Doc. 1-1333/83 'DISCHARGE FOR 1981') :
ADOPTED**

* * *

**TYRRELL REPORT (Doc. 1-1356/83 'CUSTOMS DEBT GUARANTEES') :
ADOPTED**

The rapporteur spoke :

— IN FAVOUR OF Amendments Nos 1 to 5 and 7 ;

— AGAINST Amendments Nos 6 to 9.

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